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American labor dynamics in the light of post-war developments

AMERICAN LABOR DYNAMICS

In the Light of Post-War Developments

The cultivation of open-mindedness is the only way to temper the victory of the extremists by a wise moderation.
—HAROLD J. LASKI.

Cursed is he who does not know when to shut his mind. An open mind is all very well in its way, but it ought not to be so open that there is no keeping anything in or out of it. It should be capable of shutting its doors sometimes, or it may be found a little draughty.—SAMUEL BUTLER.

AMERICAN LABOR DYNAMICS

In the Light of Post-War Developments

AN INQUIRY BY THIRTY-TWO LABOR MEN,
TEACHERS, EDITORS, AND TECHNICIANS

EDITED BY
J. B. S. HARDMAN
Jacob Benjamin Salutsky Hardman

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TO

THE AMALGAMATED CLOTHING WORKERS OF AMERICA

A BODY OF ORGANIZED LABOR—MEN AND WOMEN,
IMAGINATIVE, DARING, RESPONSIBLE, DEPENDABLE.

EDITOR'S FOREWORD

American Labor Dynamics is the result of a group study of the American labor scene in the momentous decade since the United States joined with the European powers in the World War. Over thirty university men, teachers of economics, politics and labor problems, practical labor leaders, and labor publicists and educators took a direct part in the effort. An even larger number of people of the same groups coöperated with the editor of the volume and the contributing editors in the preparation and examination of the manuscripts. Their criticisms of views and attitudes were given careful consideration and incorporated in the respective discussions, whenever that proved reconcilable with the views of the writers in question. Several hundred union executives, editors, and students of labor have made their contributions to a number of symposia and "censuses of opinion" which were conducted by the editors. A considerable number of college students were reached through discussions kindly arranged for the purpose by their teachers.

The studies which resulted in *American Labor Dynamics* were guided by the Provisional Officers and Advisory Board of the American Labor Problem Associates (ALPA), a coöperative organization "created to study, analyze and interpret factual developments and the movement of ideas within the ranks of labor and on the fringes of the labor movement." The editorial policy of the ALPA is described in its statutes as "one of inquiry and friendly interest toward all contending progressive forces and groups within the organized labor movement."

The coöperative nature of the enterprise needs perhaps to be explained. The contributing editors did not always sit together to analyze the issues involved and to find adequate solutions for them. The editor was a sort of moving central clearing house who conferred with smaller groups of contributing editors every now and then in a number of cities.

American Labor Dynamics is not one more reference book. There was no effort made to assemble between the covers of one book *all* the available information about matters of interest and sig-

nificance in and about the labor problem or the labor movement. The coöperating associates have aimed at presenting a cumulative view of the labor scene as it presents itself to the sympathetically interested observer and to the active, yet sufficiently objective, participant. The dynamics rather than the statics of labor have held the attention of the group of men and women associated in the preparation of this book. Only such problems and issues as came to a head in the last two or three years have been taken up for analysis, but in order to lend realness and a measure of conclusiveness to the study, the general contours of the immediate background were drawn. The decade which has elapsed since American participation in the World War was regarded as the necessary and sufficient background. Barring this sketching of the significant developments that took place since 1916–1917, which is covered in Part One, no space was allowed for history, or for prophesying in what direction the labor movement is heading. The ethical element has been kept out of the book.

Final conclusions and definitions of *isms* did not seem relevant to the enterprise. The label department of the labor movement, the calling of names, and its ready-made appraisals were made use of as time-saving devices only. It was thought possible, and the attempt is herewith made to discuss problems without blowing clouds of names about them.

The editor is under obligation to a number of persons and organizations too numerous to mention for assistance and coöperation in many ways. To Neva Kaye, Cicely Applebaum and Natalie F. Jaros of the staff of *The Advance* thanks are due for painstaking handling of the manuscripts, for numberless helpful suggestions and the reading of the proofs and the preparation of the index. Great indebtedness is acknowledged to Helen D. Hill and Barbara Biber of Chicago, to Willard E. Atkins and Corwin D. Edwards of New York University, to Lewis Corey and Louis Stanley of New York, for invaluable help. Without their constructive collaboration at various stages of the work, the editor would have been unable to carry out the project entrusted to him by the American Labor Problem Associates.

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Part One

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PART ONE

THE DECADE IN RETROSPECT

Many persons seem to suppose that facts carry their meaning along with themselves, on their face. Accumulate enough of them and their interpretation stares out at you. . . . What is needed to direct and make fruitful inquiry is a method which proceeds on the basis of the interrelations of observable acts and their results.—JOHN DEWEY.

A generation of eager, many-sided and many-dimensional experience has been crowded into the riotous life of the war and post-war years. A distressingly contradictory flow of events, facts, and judgments has come out of that period of our history, which, though not yet terminated, is now on the whole sufficiently removed from us intellectually to be studied. The labor scene has lived through that experience in a double capacity: as a part within the whole and as an entity by itself. The need and the timeliness of an analytical review of recent labor developments will readily be taken for granted. The difficulty of the task is that of achieving a centralized and correlated presentation of the major features of the scene.

We have not as yet acquired the habit of employing charts and graphs in the analysis of labor's social relations. The method applied to the study and presentation of almost every detail of the labor problem has never been attempted with reference to labor as a whole. Wage movements, labor turnover, unemployment, the effect of fatigue toxins on the nervous system and vitality of working-men, the worker's psychological reactions to certain observable conditions of work, nearly every aspect of labor's life has been presented, or attempts made to present them, in graphic lines. But the totality of the labor scene has never been so treated. It is doubtless very difficult to chart the whole course of labor on a two-dimensional table, but it should not be altogether impossible.

Any charting of the past movement of labor with a view to projecting its probable direction in the future, to be usable and com-

petent, must proceed from points basic and central to the whole range of involved experience. Review in perspective is essential to dependable orientation in that multiple experience. Review in perspective, even if only a limited part of the whole field is to be observed and studied, will enable the student to locate safe bases for the construction of workable hypotheses. Perspective further enables the student correctly to evaluate events, issues, and personalities outside of their transient emotional entanglements with the incidents and accidents of their day.

The limitation of the present study to the post-war decade holds out the hope of a tangible achievement. The period presents a rounded-out experience and may, for that reason, offer the opportunity for dependable, even if few generalizations. Assaying events in perspective rather than at close range and looking back with a view to finding the direction of the course ahead seems an acceptable combination of method and aim, and is likely to eliminate intellectual waste by focusing inquisitive energy upon essentials and pertinent issues. Thus, for instance, a discussion of the B. and O. Plan, in the light of the causes which have led labor since the war, to concern itself with production and the general state of labor organization and industry, will be likely to yield a basis for a realistic evaluation of the Plan both as a method and as a strategy. The discussion of the pathetic failure of all efforts at organizing a labor party may prove of practical significance if carried on with a perspective of the spread of employers' welfare practices in industry, the traditional distrust of organized labor for social legislation, and the existing intimate contacts between local city politics and the local trade unions.

The coöperative study of which the present volume is the outcome was not undertaken with a view to assembling an arsenal of facts, nor did it aim to be a book of Revelation. The urgent need, so it was felt, was neither for a mere accumulation of facts nor for an anthology of canonized union truths or canned intellectual wares. With a degree of orientation in the rapids, currents, and undertows of a shifting movement as the objective, the effort was made to elucidate, as nearly correctly as possible, the trend and the central meaning of events and to correlate the forces operating in the labor field with the state of industry and with the prevailing social order.

THE EDITOR.

CHAPTER I

POSTSCRIPTS TO TEN YEARS OF LABOR MOVEMENT

1. The Frontier Decade of a New Epoch

Would it not seem clear, now that we are ten years away from the end of the war, that much that was true of all things before the war is still true of many of them, and that the continuous developments which carried right through the war period, perhaps were re-directed but not sufficiently to warrant the use of the terms *pre-war* and *post-war* as indicating a great divide in the course of labor and industry? Why not, then, direct the basic analysis of issues in the movement along tendency channels and let chronology go hang?—An Opinion at a Round-Table Discussion.

To be sure, tendency channels and chronology will please take a back seat. However, the war is not to be put aside too lightly in a study of the movements of labor. The war was the historic Rubicon which the labor movement crossed even though it was perhaps not aware that it was making that hazardous step.

The war was not of labor's making. It was not fought over issues raised by labor. The war was engineered and manipulated for aims which labor neither knew nor was asked about. But having arrived, the war released forces, reactions, and attitudes which could not fail to affect the life and the movement of labor. The war accelerated developments which it would have taken history a generation or more to incubate. Dormant social embryos were brought to active life under pressure of war necessity.

The war ushered the mechanical revolution into a world which had not nearly digested the effects of the industrial revolution of the preceding century. It forced the technology of the twentieth century upon the social relationships of the nineteenth century. The great convulsions which shook established society to its foundations in advanced industrial countries, like Germany and England, and the consequent reactions of the shake-up in America, Asia, and the smaller states of Europe, were caused by that collision between the technical arts and the state of political and social relations.

The war necessitated an eruptive release of creative energy for the purposes of destruction. Inhibitions hitherto imposed on the

mechanical sciences by law, order, and vested patent interests were removed. Mechanical sciences were told to go ahead full speed. Stimulated by very real hopes of immediate and profitable application, scientific experimentation leaped to heights undreamed of. The engineer made his triumphal entry into the arena. New machines and better ones replaced old ones in use, and production was massified and expanded beyond comparison with pre-war levels. Old crafts and accumulated industrial experience and habits lost their pre-war preëminence. The game of empire in which the war manipulators engaged, for whatever stakes, required immense supplies of goods, of food, of war ammunition. Cost was no obstacle. Money was made available. The brakes were taken off credit, and industry was carried on upon an international basis. Frontiers were disregarded. For once, considerations of industrial efficiency, not profit alone, were allowed to motivate business enterprise.

What was true of many things before the war, of course, has remained true of them since the war; but these things and the truths about them no longer seem so very vital. The war of 1914–18, like all wars, was iconoclastic. It broke idols and smashed idolatry. The labor movement was not spared this heart-rending experience. To the time of the war and right into it, America lived in the nineteenth century. The war fell out of a clear sky over a hold-over Victorianism unaware that it was out of date. The year 1914 marked the awakening of the nineteenth century to its own death. The twentieth century arrived with the war, a decade and a half late.

The post-war decade presented a study in violent conflicts, in inescapable contradictions. The old order was gone. The new order had not yet fully arrived. Vanishing outlines of the past, at times too slow in disappearing, not infrequently impeding or distorting the contours of the future in the making, of such was the background. On this background rose a motley of facts, moods, events, hopes as absurdly inflated as prices, revolutions without a basis in reality, reactions as desperate as they were meaningless, heresy-hunting for no reason and to no purpose, mob actions, sex equality, mass production, mass stupidity, the twilight of history, the frontier decade of a new epoch.

As the American scene, so the American labor movement. The moods of one have changed even as the shape, the colors, the set-

ting of the other. The jerkiness, the *ups* and *downs* of the scene as a whole, left their impress on labor. And how else could that have been since labor in America, as everywhere, is the shadow of the existing social order, its sin and its redemption, the product of its past, and its projection into the future? The World War, and even more, the vicious peace in its wake, turned isolated business America into a dominating force in world-wide imperialism. American labor since the war has begun to think of itself in terms of a social force, an element to be reckoned with in the shiftings of the social fabric.

Of the more significant consequences of the war in so far as labor is concerned these may be noted at this time:

1. While the oneness of all labor was broken up and its national units thrown into camps fighting across frontier lines, the general status of labor was greatly bettered by the exigencies of war.

2. A gulf wider than ever between skilled and unskilled labor was emphasized by the substitution of mechanized monotony for skill and craft, but the immense production stimulated by war necessities was sufficient to employ all the labor that was available, including the work of women, and earnings actually went up despite the inroads machinery was making into the markets of human labor.

2. One Net Result of the Decade

Every generation must think out anew the conditions of its freedom.—Harold J. Laski.

In 1917, on the eve of America's entry into the World War, just as it sensed the trend of events, the American Federation of Labor unanimously declared:

> We speak for millions of Americans. We are not a sect. We are not a party. We represent the organizations held together by the pressure of our common needs. We represent the part of the nation closest to the fundamentals of life. Those we represent wield the nation's tools and grapple with the forces that are brought under control in our material civilization. The power and use of industrial tools is greater than the tools of war and will in time supersede agencies of destruction. . . . The cornerstone of national defense is justice in fundamental relations—economic justice.

The proud declaration of 1917 was a bid for "a place in the sun" made by labor officials expert in the arts of negotiating and lobbying and not at all bent upon revolution as an aim or willing

to use revolutionary means for any aim. But the tone of the statement, reflected an anticipation of coming power and status.

Ten years later, in 1927, the organization of labor is as yet a far cry from power. If not numerically weaker, it is confronted with a formidable enemy in the shape of company unionism. There is a state of apathy in many of the leading groups. But there is a new undertow, a current beneath the surface that indicates a change and a new direction. In 1927, the organization declares for a *social wage*. It demands a progressively flexible adjustment between wages and profits. Formulated rather vaguely, for the immediate present expressive of hardly more than a wish, and with no real driving force behind it, the new wage principle shows the direction of the undercurrent. The principle of a "social wage" is bound to prove explosive and dynamic if put to use honestly and realistically. While it in no wise indicates that labor is ready or even willing to fight for a new social order, it sounds a maturing conviction that labor is entitled to a new deal. The position taken by the labor body reflects an effort to place labor on a higher plane than the one on which the earlier demand for a "fair day's wage for a fair day's work," had rested. At bottom it is a "subversive" attack on the immutability of the prevailing order of vested interests.

In 1917, opportunity knocked at labor's door. Responding to the possibilities of the occasion, the leaders of labor then asked for recognition and collective bargaining. They asked for no more. They dreamed of no more. The chieftains of labor were bargainers, shrewd politicians, and, save for rare exceptions, they were totally unrelated to the fundamental processes and problems of industry. The opportunity of labor in 1917 lay in a direction more significant than collective bargaining. Labor could, if it would, assume responsibilities for production and ascend to active participation in the control of industry. But leaders of labor stuck to what they thought was their God-ordained job: they would sell labor for as good a price as they could command, but exercise control of industry they would not. They brushed aside the power that lay in their reach. They lacked the will to power.

In 1917 labor could have had for the asking what later on it failed to secure at the cost of all the fighting it did. But the stage was rapidly shifting. When the desire came, the opportunity had slipped by. About 1919 labor began to move. The Plumb Plan

of the railroad workers' brotherhoods was evolved. The coal miners demanded the nationalization of the coal mines. The Plumb Plan called for the operation of the railways by the more privileged groups of labor, the bondholders, and the government. It was a crude, but native, and, therefore, important bid of American labor for a share in industrial control. Labor moved one inch ahead, but history fell a mile back.

At the beginning of the decade, labor had the power but lacked the will to share in the control of industry. Toward the close of the decade, labor had the will but lacked the power to achieve industrial control. In 1927 labor talks audibly about the workers' stakes in industry, discusses possibilities and terms of assuming responsibilities for production. It looks toward citizenship in industry. The full dinner-pail epic is no longer the beginning and the end of labor's workaday philosophy. Labor seeks a status in industry. Labor has come to appreciate industrial competence even above craft and skill.

No answer in statistical measurements can be given in reply to the question as to the headway labor has made in these eventful ten years. No statistical data that would serve the purpose are available. But more than figures showing real wages and living costs may be necessary. The index number of labor's essential progress is to be formulated out of the analysis of all the activities and the interests of labor, all its successes and failures. But it seems safe to say at this point that the one significant sign of the growth of labor is *the evolution of the labor mind from viewing wages and hours as its sole concern and collective bargaining as its sole aim, to the bidding for a progressive share in the proceeds of industry and a voice in industrial management*—one significant stride labor has made in the post-war decade.

3. The Revolution—1919

"Would you tell me please which way I ought to go from here?" Alice asked the Cheshire Cat. "That depends a good deal upon where you want to go to," said the Cat. "I don't much care where," said Alice. "Then it doesn't matter which way you go," replied the Cat.

—Lewis Carroll.

The year 1919 was the banner year of radicalism in the United States. Revolution was seriously discussed among honest people.

And, of course, revolution was exploited by scoundrels. The exploitation of the danger of revolution had always been good business in politics. Serious-minded people in the ponderous press of the thinking minority gravely discussed the possibility of revolution or sought to prove that none was likely to happen. The following headlines are picked at random fron contemporary clippings of the *New Republic*, the *Nation*, and the *Dial*, at hand: *The Parallel of Revolution*, *The Technique of Revolution*, *Unrest*, *The Cycle of Revolution*, *Is Revolution Possible? Pittsburgh—Is It Revolution? On the Danger of a Revolutionary Overturn.* Among the contributors were Harold J. Laski, Herbert Croly, and Thorstein Veblen.

1919 seems to have happened ages ago. The language that was used then no longer sounds familiar to our ears. The emotions that overwhelmed people in those momentous days fail to excite us today. The world has grown not only older but old. Weary, tired of the unsuccessful attempts to jump over its own head, it has been moving along narrow lines leading nowhere in particular. We seem to be generations away from the age of missions and large enterprise: only pilgrimage—to fleshpots—seems to be the order of the current day. The winged hopes of those days, the first blushes of an incipient radicalism, have long been duly deflated and their dried shells tucked away in the filing-cabinets of the unmade makers of the revolution which failed to come. In the span of not more than one year, a chain of events, of conflicts, of moves, colorful, rich, ran its full course; ran—and went to smash, leaving behind more history than tangible results, lessons—but scarcely traces. These were the peaks of the revolutionary wave of 1919.

1. In February, Seattle, Washington, a very important center of industry and labor in the Northwest, was in the throes of a most effective general strike which lasted five days. Street cars stopped running; restaurants, theaters, barber shops, laundries were closed. No newspapers were printed. Only works necessary for public health and safety were allowed to go on. Garbage wagons and funeral cars bore permits from the strike committee. An unarmed labor guard patrolled the streets. The objective of the general strike, an increase in wages for the shipyard workers, was not achieved. Yet the display of mental and organizational cohesion of labor was remarkable.

2. In February, too, in Lawrence, Massachusetts, 32,000 textile

workers went on strike. The agitation for the eight-hour day carried on by the United Textile Workers (A. F. of L.) inspired the movement. The strike was successful despite the law-breaking, lynch law, and other means resorted to by the powerful mill-owners and the press, the police, and the general public under their influence. The Amalgamated Textile Workers of America, a new militant union of textile labor, though a short-lived one, emerged from the strike. The labor movement of the country gave generous support to the Lawrence strike, the Amalgamated Clothing Workers having figured prominently in the support. A possible organized alliance of poorly organized textile labor with the powerful clothing workers was rumored.

3. In September, Boston witnessed the stirring spectacle of 1100 policemen, union members, going on strike against the discharge of a number of fellow cops. True enough, the strike was forced upon the policemen. The Mayor of Boston, the Police Commissioner, the Governor of the State, Calvin Coolidge, did all they could to precipitate the strike, rather than to prevent it. But the general public was educated by the press to look for the red menace behind the walkout of the policemen. It paid somebody to advertise the red menace.

4. The steel strike in which 367,000 workers were involved began on the twenty-second of September. After four months, the strike was called off in January. Judge Gary succeeded in crushing the movement. But the United States Steel Corporation was obliged voluntarily to raise wages 10%, and as a result of the strike, too, though later, came the eight-hour day, which was declared to have emanated from Mr. Gary's free will and notoriously generous mind. The economic consequences of the movement were eclipsed by its political significance. There, indeed, the power of the most entrenched money and industrial combine in the United States was effectively challenged. The inertia and jurisdictional exclusiveness of the trade-union movement had been overcome, and twenty-four international unions entered on a coördinated and centrally directed drive. About a quarter of a million new members were initiated into the coöperating unions, and $400,000 was raised for strike relief.

5. On October 15, 1919, John L. Lewis, Acting President of the United Mine Workers of America, issued a strike call to be effective at midnight on October 31. On October 24, President

Wilson denounced the miners and characterized the strike call as a "fundamental attack, which is wrong both morally and legally, upon the rights of society and the welfare of the country." On October 31, Federal Judge A. B. Anderson, acting upon an application from the government, issued an injunction restraining the officers of the union from any activity in connection with the strike. The miners' funds were tied up. No payments of strike benefits were possible under the injunction, nor any other expenditure of money for strike needs. The officers obeyed the injunction, but 411,000 miners, the entire membership of the union, quit work on November 3 and did not return until the officials declared the strike off on November 11. The officers called the strike off because they had convinced themselves that they could not possibly win with Woodrow Wilson openly and actively supporting the mine owners. The government had promised a wage conference for the fourteenth of the month. The miners' demands were: a five-day week, the six-hour day, and a 60% increase in wages.

6. The Plumb Plan fathered by the railroad unions and later sanctioned by the A. F. of L., not without substantial disagreement in the leading circles, was of 1919 make. The radicalism of the proposal was emphasized by both its native and conservative origin.

7. The cycle of the "Revolution—1919" would not have been complete had it not been for the Labor party of the United States which emerged from a convention held in Chicago, November 22, the crowning effort of so many sporadic local efforts, which began with the American Labor party of Bridgeport in 1907.

Commenting on the steel strike, the *Nation* had this to say:

> This . . . is no mere squabble over wages and hours and collective bargaining and the open shop. These are the shibboleths, the battle-cries; but the real question is, who shall control our steel industry, our mines of coal and iron, our roaring furnaces, our giant rolling mills. . . . That is the question.

Stirred by the magnitude of the encounter it was envisaging, the liberal contemporary, emphasizing that it "yielded to none in [its] estimate of the rôle of private property in the civilized order," pleaded with both sides for peace with honor to both and victory to neither:

. . . can we not all realize that the brains, the organizing ability, the constructive genius, the enthusiasm, the vision and idealism of the American business men are too precious to be wasted in class war? Let not the worker thoughtlessly crowd such a possible ally to the wall, or drive him into open armed conflict; and let not the business man by indirection or lack of frankness or stubborn insistence on the unchanging maintenance of what the war has made an untenable status goad the worker to violent revolt.

The events of 1919 referred to were taken very seriously by all sides. The strike wave was really unusually high. The number of workers involved in strikes in 1919 as compared with the years immediately preceding and following explain the strain of the situation:

LABOR DISPUTES AND WORKERS INVOLVED, 1918–22

Year	*Total No. of Strikers*	*Average No. of Workers per Dispute*
1918	1,239,989	576
1919	4,160,348	1,561
1920	1,463,054	657
1921	1,099,247	616
1922	1,608,321	1,859

Never before or after have there been so many strikers. The revolution may not actually have been hiding "around the corner," but as Mr. Alvin Johnson observed in the *New Republic:*

It is the strike, breaking out now here, now there, that looms largest in the fear of revolution. And not without reason, for the revolution, if ever it comes, is pretty certain to come by way of the strike, spreading from industry to industry, subsiding only to rage anew, until the tissue by which economic life coheres is eaten away.

Perhaps the "man in the street" believed that the revolution was coming. Perhaps the small fry of the employing class feared that real social violence is in the order of business of the day. Surely the captains of industry did not think revolution was in the air. Nor did the government think danger was ahead. None the less, a determined and concerted effort both by big business and the government to deflate labor and to liquidate the revolution was quick to come. The government let loose injunctions, political propaganda, all the overt and subtle powers of the Department of Justice. Organized capital was all for "going to the mat with labor," for "putting labor in its place," for delivering "a knock-

out blow to the pretensions of labor"; the government followed suit.

The outstanding features of the revolution of 1919 may be enumerated as follows:

1. While there were very many unauthorized ("outlaw") strikes, the major movements were sanctioned by the regular leaders of the old-line organizations.

2. The immediate motivation of nearly every movement was simple, straight, and "regular" from the point of view of the existing and overwhelmingly conservative labor unions. Invariably, however, every movement developed features partly or totally unacceptable to the leadership and the environing set.

3. Industrial democracy was the issue of nearly every movement, whether of the demands of the printers on "vacation" strikes, or of the economic plans of the Labor party sponsored by trade unionists. However, the content of the old term broadened as time went on and the movements gained momentum.

4. "Politics," in the orthodox sense, were frowned on by sponsors of the various movements as irrelevant, incompetent, and immaterial, but "all things" took on a political coloring.

5. There was little if any anti-government feeling in most movements. The Wilson myth was still real. The government was looked upon as the ally of labor, even if silent and inactive, perhaps because held in captivity by the interests.

6. There was no radical political party in the field which would seek to give the movement centralized and sustained political guidance. Because of this fact, unhaunted by the specter of a possible shift in leadership, the heads of the trade unions seemed not to mind if the movements went a "bit too far."

7. The general trend in leading groups of leadership was toward power accumulation and assertion of labor in industry.

4. The Labor Party—A Dream That Did Not Come True

> Were you looking to be held together by lawyers?
> Or by an agreement on a paper? Or by arms?
> Nay, nor all the world, nor any living thing, will so cohere.
>
> —Walt Whitman.

The Labor party of the United States was organized in 1919. In the fall of 1920, Warren G. Harding received the largest vote ever cast for a presidential candidate. The 4,000,000 workers who took part in strikes in 1919 did not vote for the candidate of the

Labor party. The rank and file of organized labor did not vote for the Labor party. The total vote cast for the presidential and vice-presidential candidates of the party was rather negligible—265,411. But perhaps the rank and file of labor was more radical than the Labor party, and for that reason did not vote for it? Had that been so, the vote cast for the Socialist party would have registered the surplus of labor's political radicalism. But the Socialist vote was 919,799, slightly in excess of that party's standard vote since 1912—a stationary vote for a standard candidate. The late Eugene V. Debs was the presidential candidate of the Socialist party in 1920. He was then serving a prison term for his anti-war convictions. President Wilson for reasons neither decent nor expedient kept Debs behind the bars even two years after the war was over, and a good many of the 919,799 votes probably represented the protest of honest conservative and liberal people against Wilson's unpardonable vindictiveness. It would thus appear that at most one out of five or most likely only one out of ten of the 5,000,000 members of organized labor in 1920, in and out of the A. F. of L., voted for independent labor action in politics as represented either by the Labor party or the Socialist party. Obviously, neither the leaders of organized labor nor large numbers of the rank and file were anxious to have a labor party. That they indicated by abstaining from voting for either the Socialist or the labor ticket. Who, then, wanted a labor party?

The constituent and nominating conventions of the Labor party were genuine, sincere gatherings. Lawyers were there, to be sure, and other "brain workers"; but by and large they were labor gatherings. In the convention of 1919 held in Chicago, the local delegates were outnumbered ten to one by representatives from thirty-five States. Furthermore, the general scene justified the expectation of a large labor vote. In 1920 the open-shop or American-Plan drive was at its height. The drastic injunction in the miners' strike issued by a court late in 1919 on the request of the government was still fresh in memory. The economic radicalism of labor in 1919—over four millions of them participated in strikes, lockouts, "vacations," legal and unauthorized—could not have evaporated so soon. Obviously, the workers of the United States chose to differentiate between industrial radicalism and political non-conformity. It will be remembered that all subse-

quent attempts at the formation of a labor or farmer-labor party barring the La Follette campaign of 1924, which was in a class by itself, have lived up to the same description. It is, then, within the confines of sustained reasoning to conclude that the cause, or causes, of independent political action by labor, were not basic to the lives of the multitudes of American labor, or at least not sufficiently representative of these multitudes. However, a certain section of the leadership of labor was definitely, though not so very persistently, favoring such action. The numerous conferences and conventions for independent labor politics have always attracted the above-the-lower layers of trade-union leadership. The following points seem to be relevant to the phenomenon:

1. There was available an amount of energy in the secondary and the next to secondary groups of labor-union leadership not totally absorbed by current trade-union activity. This was mostly the case of the active but unpaid trade-union workers. These were also the naturally restless younger elements of the movement.

2. Adherents of independent action were found in the local central trade-union bodies which had few direct economic functions, and they looked to politics of a kind as their raison d'être. In these bodies many members of the older immigrant stock were found, people who had not yet outlived the habit, acquired in their younger days, of voting independent labor tickets.

3. Court injunctions and other political interferences by government agencies with the course of trade-union activity were felt most keenly by local trade unionists. The idea of organizing the labor vote for the defense of labor's rights found response, logically enough, with the local leaders.

4. The influence of the socialistically-minded foreign-born workers was most felt locally. That influence was markedly scattered over the country, and at an opportune moment it would become assertive. The glamour of the revolutions abroad, in Russia and Germany, and the ascendance of the Labor party in England, gave the foreign-born workers quite a standing in 1919.

The national trade-union leaders, committed to old-line politics, did not favor the independent excursions of their local subordinates or agents into the field of labor politics. Regardless of possible interference with politics played by national leaders, for whatever stakes, the political ambitions of the underlying leadership were frowned on. The national leaders feared lest political ambitions

and gratifications project themselves into the economic field, which they considered their eminent domain. Because of pressure from above, relatively few paid officers of the trade-union movement were found among promoters of independent labor politics.

The deviation of a number of national labor leaders from the "tried and true" path of the conventional non-partisan politics toward third-party politics in the campaign of 1924 was motivated by general political considerations more than by considerations of independent labor action in politics. The C.P.P.A.,[1] which undertook the labor support of La Follette, was primarily interested in railroad legislation of a certain kind and never committed itself to independent labor politics. Its backbone, the standard railway union leaders, seemed to oppose such action. The C.P.P.A. was in part a hangout for national trade-union leaders displeased with the régime of Gompers in the labor movement, and in part a progressive asylum for the politically homeless middle-of-the-roaders and "meanwhilers" on the fringes of the trade-union movement.

The sustained opposition of the A. F. of L. leadership to any and all moves for a labor party was indicative of the lack of interest, if not the definite indisposition on the part of the mass of people behind the organizations, toward an organized independent line-up of labor in politics. Despite the fact that so many labor chiefs had acquired a vested interest in either one or the other of the old political parties, a good many leaders would not fight a labor party too hard if they sensed reality behind it. But they sensed no reality in the movement for a labor party. Their attitude was a reliable barometer of the dominating moods in the ranks of organized labor. To the extent that the C.P.P.A. was crystallizing sentiment for a unified, even if not an independent, labor policy in politics, the A. F. of L. machine solidly opposed it. Realistic politicians, however, they feared the possibility of a shift of leadership because of the continued existence of an organized political influence within the movement.

Strangely enough, it was not the conservative group but the

[1] The Conference for Progressive Political Action was organized in 1922, February 20–21, in response to a call issued by a committee of the sixteen standard railway unions. The Conference voted that all labor, farmer, coöperative, and progressive political forces of the country unite for the purpose of securing the nomination and election of national and State legislators and other State and public officers who are pledged to the interests of the producing classes and to the principles of genuine democracy in agriculture, industry, and government.

radicals who dealt the severest blow to the labor-party movement. By 1923, under pressure of Mr. Foster and a number of his friends who had some standing in the trade-union movement prior to their joining the Workers' Party, a call was issued by the Chicago Federation of Labor and the Farmer-Labor party, a rather weak but clear-sighted organization, regarded favorably by many progressives in the trade-union field, for a national convention to meet in July of that year. There, they announced, they would launch an all-inclusive party of farmers and labor. Mr. Foster was instrumental in arousing much general interest in the move, but the influential trade-union leaders kept out of the gathering. The convention which met in Chicago proved more representative of the groups closely tied with the Workers' party than of labor unions or farmers' organizations. The lack of effective generalship on the part of the Farmer-Labor party and the impolitic aggressiveness of the Workers' party brought the gathering to an impasse. The Workers' party captured the convention, and the few representative labor and farmer units left the place of action. The Chicago convention of 1923 marked the doom of the movement. It was the radicals' Waterloo in political activities through the trade-union movement. The Chicago convention and its abortive creation, the Federated Farmer-Labor party, made it clear to the middle-of-the-road elements in the trade-union movement that coöperation with the communists was possible only on terms of complete and unconditional surrender of the trade unions to the Workers' party.

Undoubtedly, the Executive Council of the A. F. of L. owed a debt of gratitude to the Workers' party for what it did in the summer of 1923 toward upsetting the movement for independent political action. The debt was recognized in the Portland convention of the A. F. of L. in the fall of the same year, when delegate W. F. Dunne, an accredited representative of a bona fide central trade-union body, but also a leading Workers' party communist, was unseated because of his communistic views and activities. The revolution of 1919 was liquidated in 1923.

5. Amalgamation—Another Old Issue Not Met

"There, sir, stop: let us not burden our remembrance with a heaviness that's gone."

The amalgamation movement, like the movement for a labor

party, landed on the rocks because of the involved issue of leadership.

The amalgamation movement of 1922–23 was not different, in substance, from the movement for industrial versus craft unions which strongly agitated the first decade of the century. In manner, however, the two differed in the following important ways:

1. The industrialist movement either sought to remedy the situation by way of organizing new industrial unions outside of and often in direct opposition to the existing trade unions, or would attempt to organize the unorganized, ignoring the jurisdictional claims of the respective trade unions in the field. In actual experience, all efforts of the industrialists almost invariably resulted in building dual unions in opposition to those in existence. The latter-day amalgamationists differed from their predecessors in that they stressed mergers or close coördinations of the existing trade organizations into larger industrial units. They also urged the great need of organizing the unorganized, which the amalgamated unions could achieve.

2. The fights over industrialism in the earlier days were cloaked in a great deal of idealistic verbiage, the appeal being made on the grounds of class solidarity, socialist aims, and the class struggle. The advocacy of amalgamation in 1922–23 was couched in carefully chosen words. The amalgamationists sought to make it clear that there would be no need of abolishing so many sinecures and that no immediate economy, but eventual efficiency, was the issue. Thus they meant to allay the fears of the office-holders.

The open-shop drives of 1920–21 and the efforts of large-scale employers to "put labor where it belonged" undoubtedly lent flavor to the amalgamation movement. During 1922–23 a number of local unions went on record as favoring the step, and ten or eleven State federations adopted resolutions to the same effect. Mr. William Z. Foster was the organizing genius of the amalgamation drive. He gave the movement direction, oneness of purpose, and a detailed, uniform organization. All the argumentative literature came from Mr. Foster's pen. He provided the charts and diagrams showing how amalgamation would work out in the first, in the second, and in the third stage. But when it became thoroughly clear that the Workers' party was *the* sponsor of the movement, its doom was sealed. Amalgamation was declared a Mos-

cow importation and practically placed on the index expurgatorius of the American movement.

The two most intensively advocated measures of strengthening the movement, amalgamation and organization for independent political action, met similar fates. Both measures had many supporters in the body of organized labor, but there was not enough driving energy around, and "no action was taken." Then the Workers' party espoused the two movements, assumed leadership, and gave them all the drive that was wanted, but the move was repudiated by the trade-union movement and, to all practical intents and purposes, killed. The rôle of the Workers' party in the American labor movement was significant for its creative impulses and destructive achievements.

The amalgamation idea, in a practical sense and workable manner, originated before the communists made it a part of their stock in trade. Outstanding trade unionists like Sidney Hillman, Warren S. Stone, and William H. Johnston had sponsored amalgamation in their respective industries even before the issue took form. The Amalgamated Clothing Workers actively advocated amalgamation of the needle trades. The four railway brotherhoods achieved a measure of coördinated operation compatible with the habits of mind of the people in the industry. The International Association of Machinists sought to amalgamate the metal trades.

With but a few isolated exceptions, amalgamation failed to carry the imagination of sufficiently large and important factors, either in the underlying organization or at the summit, to force itself on the movement. There was more reality in the movement for amalgamation than in the preceding industrialist agitation, but the movement became involved in contentions over leadership, and its politics was permitted to sidetrack its industrial significance.

6. The Left Wing

We want a national set of young men like ourselves or better, to start new influences not only in politics, but in literature, in law, in society, and throughout the whole social organism of the country—a national school of our own generation. And that's what America has no power to create. . . . It's all random, insulated work, for special and temporary and personal purposes.—Henry Adams.

The story of the left-wing movement in the post-war decade may be roughly divided into two periods: 1918–23, formation,

infantile disorders, coming of age, efforts at coöperation with the progressive forces of the labor movement for tangibles objectives; 1924–27, breaking away from every progressive force in the movement, efforts to play a lone hand, "splendid isolation," the zero state, practical disappearance as a driving force in the labor movement.

The war had cut deeply into whatever remnants were left of the former opposition groups in the labor movement of the United States. The I.W.W., the Socialist party, and the Socialist Labor party, which had represented the left wing in the pre-war movement, came out of the war clipped of strength and broken of heart. In fact, the I.W.W. went through years of rapid and fatal disintegration even before the war. Governmental persecutions and government-made mob-violence during the war practically annihilated the I.W.W. The Socialist party, too, suffered greatly during the war. Its press was hard hit by the oppressive rule of the post-office authorities. Its active men were subjected to court proceedings, jailed, or intimidated into retreat.

There was, however, a stronger factor than war hysteria and red baiting that demoralized the socialist movement. The war destroyed the average man's confidence in the creative powers of democracy and removed him even further than ever from any real concern with politics. The war emphasized the power of money, of industry, the significance of leadership, of direct action. And the Socialist party had nothing to offer but the advice to use the franchise intelligently. The generation that grew into maturity during the prosperity period was no recruiting material for socialist propaganda. The plea for economic fairness would not stir the children of prosperity, and there was not enough of bootleg or æronautics in the socialist ethical appeal to compete successfully with the jazzier things of the day.

Individuals and entire groups soon enough realized the trend of the popular mind. A good many, mostly of Russian or near-Russian descent, made the extreme left-about face, and by 1919 the first communist exercises in make-believe revolutionism appeared on the scene. Others, among them the native and Americanized transients of the Socialist party, swelled the shiftless, floating ranks of politically homeless radicalism.

The disintegration of the Socialist opposition to the conservative hegemony in the trade unions was followed by the Communist

boom of 1919–24. The common characteristic of the fifty-seven varieties of underground communism of the first years after the war was their exclusive preoccupation with the business of revolution. Their propaganda and whatever activities they carried on were aimed at the acceleration of the revolution. Their political program was orientated upon mass action without, however, a clear definition of what that was. The government of the United States did not seem to worry much about these revolutionary accelerations. Perhaps that was because, as Federal Judge Anderson of Boston stated in open court, the government owned and operated a good part of the Communist party. Nor did trade-union officials worry much over communist activity. The state of affairs was different, however, by 1922, when the warring communist groups joined in the legally functioning Workers' party, quit the business of promoting a recalcitrant revolution, and set out to obtain a place in the sun of the trade-union movement.

William Z. Foster, prominent for his rich experience in the conduct of the steel strike of 1919–20 and his organizing activities in connection with the meat-packers' struggles for recognition, was the man who gave direction and expression to the new turn in left-wing policy. The Trade Union Educational League, organized by Mr. Foster, was intended to be a rallying center for all progressive groups and individuals within the trade-union movement. The League came out emphatically against any attempt at dual unionism and union splitting. Mr. Foster demanded of the radicals not only that they stay in and work through the trade unions but also that they subordinate their program to, or at least correlate it with, the level of the progressives in the movement. Mr. Foster decried the old I.W.W. as an organization which was opposed to achieving results. Mr. Foster's T.U.E.L. was to be an organization for results in the labor movement. Soon enough, however, Mr. Foster himself and the T.U.E.L. were obliged to share the fate of all the other movements in which the communists had taken part. The League and its leader were obliged to subordinate their trade-union policies to the political objectives of the party under pain of losing party support. Mr. Foster chose party receivership, with the consequence that the T.U.E.L. lost its significance as rallying center for the non-communist progressive elements. The progressives were squeezed out of the League.

The communist opposition to the prevailing trade-union leader-

ship differed from the former socialist opposition both in point of objectives and technique. The communists were not satisfied with merely carrying on propaganda for abstract socialist philosophy. They aimed at power in the trade-union movement, and the defeat of the present leadership became their immediate and avowed task. The communist opposition had a well-planned technique and their generalship seemed well equipped at least to cause the trade-union officials considerable worry. If the old-time oppositionists were ignored or laughed out of court, the new opposition could not complain of lack of attention. They were fought back with a venom and severity which had no equal in the past of the movement.

The economic radicalism of 1919–22 undoubtedly offered fertile ground for a movement which would seek to alter the archaic structure of most trade unions and to revise their outworn organizing and bargaining practices. The subsequent wave of prosperity, at least its first stage, even strengthened the chance of an insurgent movement. With trade unionists as with every one else, the appetite comes with the eating. Furthermore, there were a number of influential leaders within the governing hierarchy of the movement who would embrace a reasonable insurgency for the purpose of a general overhauling of the movement urgently needed, in the opinion of many of them. The régime of Mr. Gompers, supported by the old craft-unions' guard, was by no means solid. There was a powerful and active opposition centered in the organizations of the basic industries. The railroad unions, the miners, the machinists, were chafing under the heel of the old guard. They wanted new policies, different politics. They represented growing power organizations as against limited craft groups. There were the progressive socialistically-minded needle-trades unions, the brewery workers, and lesser groups who for reasons of expediency or jurisdictional considerations stood by the Gompers administration but could be counted on by an opposition sure to win. The needle-trades unions needed the support of the labor-union leaders and their political connections in the small towns where union-tired clothing manufacturers sought to operate open shops, and they could not afford to be looked on as part of the "opposition crowd." The old-line socialist Brewery Workers' Union went over to Gompers' side because the administration extended their jurisdiction over yeast, cereal, and flour mills and thus helped the union make

up for the losses in the alcoholic industry. The fight on prohibition made political bedfellows of Mr. Gompers and the German brewers steeped in socialist habits of mind, and the anti-union bread trust forced the radical Bakery Workers to look to the conservative trade unions for the support of union-label bread. None of these groups could afford to pick a quarrel with the administration of the A. F. of L., and on this score there was unity and understanding among the union leaders and the active and influential rank-and-filers. All these groups, however, were pro-Gompers out of considerations of expedience only.

The stage was set for the emergence of a practical insurgency to undertake the consolidation and the strengthening of the movement through a change in the technique of organization and by bringing the industrial strategy of labor into an operative functional relation to the newer industrial facts and developments. Such insurgency, to be successful, would have had to handle its task in a careful pragmatic and to a large degree impersonal manner, handling issues firmly and persons gently, balancing skillfully between the radical exigencies of the time and the conventional mind-habits of the personnel of the movement. It would have had to be political, not revolutionary. It could ill afford to wave the red flag or to step harshly on fears and bogeys which would easily be thrown into play by the administration, well trained in raising sham issues and smoke-screens.

Surely Mr. Foster knew the situation as it was, and in fact his first steps showed that he meant to act on the exigencies of the situation and not on arbitrary party desiderata. However, the course assumed by the opposition which the communists led was the reverse of what seemed to be the only possible course leading to success.

Not infrequently Moscow is pointed to as the cause of the communist downfall. The direction from International Communist headquarters in Russia is held responsible for the inept tactics of the Communists in the United States. It would seem, though, as if this were an act of injustice to Moscow. What Moscow has actually given its American followers is color, tone, and general direction, not detailed technique. Moscow cemented American Communism, to be sure, through the invigorating example of an opposition "which yesterday was but nothing and is everything today." Moscow supplied the American movement with a formula

of achievement but left it to the local men to fill the formula with fitting content. If some one must be blamed for the utter failure of the communist movement in the United States, that blame is to be laid at the door of the American performers. They—each faction in turn—told Moscow what orders to issue, and the results have been what might have been expected. Moscow's biggest sin was that of having too readily paid the traveling expenses of the American tacticians and strategists.

The economic radicalism of American labor upon analysis proved to be wage-conscious rather than class-conscious. The thin veneer of political radicalism which appeared in the Plumb Plan and in the scheme of coal-mine nationalization was opportunistic rather than basic. That political radicalism originated in the heads of the relatively few leading people of the American labor movement who could think beyond their union offices and were ready to consider their immediate industrial problems in their workaday relations to political affairs. That political radicalism needed painstaking cultivation to take root. The communists nipped it in the bud. The Denver Convention of the A. F. of L. which went on record in favor of extending the Plumb Plan to all basic industries acted under pressure of those relatively few progressives who knew how to translate their progressive ideas into terms understandable and acceptable to American conservative trade unions. At that convention, John L. Lewis of the United Mine Workers led in the opposition to Samuel Gompers. The standard railway unions were behind that opposition. But the Workers' party chose to fight the leaders of this opposition. They assailed William Johnston, president of the International Association of Machinists, John Fitzpatrick of the Chicago Federation of Labor, John Brophy of the United Mine Workers, as centrists, as reactionaries, and they constantly urged the workers to distrust these people.

During its short-lived effective period, the communist opposition made itself felt in the miners' union, among the machinists, in the carpenters' union, and in the needle trades. The experience of the latter merits separate consideration, as there the communists had their fullest opportunity of being first in the position of influential opposition, and later—the administration. In the other unions they secured strength at one time or another by espousing the cause of an existing ready-made opposition, and they lost out at the moment they attempted to sail under their own flag. In the

United Mine Workers' Union in 1923, the communists supported a candidate who was later successfully elected president of an important district; but he disavowed his supporters as soon as he was elected. The standard-bearer of the opposition forces in the International Association of Machinists was defeated, and he, too, "made up with" the administration. During the anthracite miners' lockout in 1925–26, the Trade Union Educational League boasted of great popularity and a large following among the coal-diggers. At the District Convention which met to ratify the settlement of the lockout-strike, 699 delegates voted against 1 for the agreement which the T.U.E.L. had declared an outright sell-out and urged to reject. American trade unionists willing to indorse communist criticisms seemed disinclined to accept communist leadership in matters of positive policy.

Toward the end of 1927 there was hardly a trade-union organization in which the communists had any strength at all. And in the same measure as they were losing strength, a policy of expulsion and outlawing was inaugurated in practically every union.

In 1926 the Communists developed considerable organizing activity in Passaic, New Jersey. They succeeded in calling out some 12,000 textile workers in a general strike, and they carried on that strike in an effective spectacular manner, attracting nation-wide attention to the case; this, however, had always been characteristic of textile strikes. The Passaic strike lasted almost a year before it was settled with partial recognition of the union. The settlement, however, was achieved only when the communists formally withdrew from the conduct of the strike and turned the organization over to the regular A. F. of L. union, the United Textile Workers.

7. Wings in Needledom

If the heating of our homes were a political issue, we should have one party advocating absolute zero and another advocating the melting-point of iron.—Bertrand Russell.

In the needle-trades unions, the opposition waged its most consistent battles, won in two important cases, held power for quite a time, was ousted from power, and practically destroyed as a political factor. Despite the industrial peculiarities, the racial complexity, and the radical background, the experience of the opposition in the needle-trades unions is of general interest. It

points to *what* the opposition would do, if not *how* it would act, in almost any other situation, if given a chance at power.

Factions developed in all branches of the needle trades. They reached considerable intensity in the union of the men's clothing workers (Amalgamated Clothing Workers of America) and came to a climax among the fur workers (Fur Workers' International Union) and among the cloak- suit- and dress-makers (International Ladies' Garment Workers' Union).

The case of factional developments in the A. C. W. of A. was of too exceptional a nature to be considered in the present relation. The Amalgamated was itself the outcome of a "left-wing" development, and sprang into being at the beginning of the World War from an internal conflict and a split in the original union of the men's clothing workers, the United Garment Workers of America. Because of its insurgent origin, and having been thrown solely on its own resources in the struggle for status and advance, the A. C. W. of A. developed a strategy militant in effect if not always in form, with its leadership at all times in the lead of new developments and enterprises. The leading staff of the union showed ability to devise, to popularize and to enforce a progressive industrial policy, without, on the one hand, courting unreasonable and maladjusted radicalism, or, on the other, yielding in essentially significant points of advanced policy to the retarded susceptibilities of its large heterogeneous membership. The pragmatic progressivism of the Amalgamated activity was a hindrance to the development of an effective left-wing culture. In the "heroic period" of the union's history the administration had absorbed whatever potential opposition energy there was in the rank and file. When the union stepped into the mature constructive period of its history the administration proved skillful enough to confront the opposition, fostered or naturally developing, with industrial and structural efficiency and to win its case on a basis of activity and results. Thus both the objective and subjective conditions of an opposition were lacking in the Amalgamated; there were no large significant industrial issues upon which an effective attack on the administration could be made, nor were there individuals trained in the business of carrying on an opposition and capable of effective leadership in a fight for power.

In the furriers' trade and in the cloak and dress industry the left wing had had the opportunity of operating on a large scale

and for a considerable length of time. The latter case, that of the I.L.G.W.U., is the most interesting one, as there the opposition won power and exercised it in an organization of some 35,000 workers. The New York Joint Board, the affairs of which the left wing had managed for over a year, represented a body trained in practical and vital trade unionism in a school of experience as rich, complicated, and colorful as any in the American field. The cloak- and dress-makers of New York had organizations as far back as thirty-five and forty years ago. In 1910, following an unusually dramatic strike they developed an almost hundred-percent trade union. In the course of the fifteen years since that strike and settlement, the industry has undergone a complete reorganization, the outstanding features of which have been decentralization of the former large factory units and the break-up of the manufacturing process in a manner which makes effective union control and standardization exceedingly difficult.

The collective relationship between the organized workers and the several employers' associations, the latter with conflicting interests, was realized in the form of a commission appointed by the Governor of the State of New York. In 1925, acting on demands presented by the union one year earlier, the Governor's Commission handed down a decision, which failed to satisfy the workers. The Commission itself had realized the inadequacy of its decision, for it simultaneously announced a further study of the industry which was to take another year and after which, it asserted, a further-reaching decision would be made.

The opposition forces within the I.L.G.W.U., solidly intrenched in several large local unions, assailed the Commission's decision, and taking advantage of the friction which had developed within the union's administrative machine, they opened fire on the industrial policy of the International leadership. The president of the I.L.G.W.U. retaliated with wholesale suspension of some seventy officers, executives, and board members of the insurgent Locals 2, 9, and 22. A state of civil war followed the suspension and trial of the local union officers. The insurgents set up a provisional government and dual union offices and advised the members not to recognize the officers of the International. The major charges of the opposition against the administration were dishonesty, inefficiency, and industrial incompetence. The administration returned with a rather irrelevant charge against the op-

position leaders as being communists, holding subversive views on government, and being friendly to Russia. The struggle of the contenders for power was not confined to literary exhortations alone. Every element of force, whether relevant to the situation or not, was put to use. After several months the left-wing local unions in New York succeeded in forcing the International officers to compromise the issue of authority. At a special convention held in Philadelphia in December of the same year, the left-wing leaders were admitted to membership on the General Executive Board of the International, and the administration pledged itself to see through certain reforms advocated by the left wing. In New York City, the victory of the left wing was so complete that, following the precedent of all revolutionary governments, the Joint Board voted to make good the deficit of about a quarter of a million dollars incurred by the provisional Joint Actions Committee of the insurgents while fighting the old administration.

It is important to note several circumstances which played a considerable rôle in the development and realization of the left wing in the I.L.G.W.U.

1. The overwhelming majority of the workers employed in the ladies' garment-making industry in New York City are Jews. The Italian racial unit is next in numbers but not numerous enough to have a deciding voice in matters of union policy. The Italian group stood with the International administration. The Jewish group in the union has had a long trade-union schooling, and a good many of them were under socialist influence at first and, later on, under communist domination. The Jewish group, because of its background, had developed a view of their trade union different from that prevailing in other trades where the racial balance is different. To the radically-minded Jewish trade unionist, his union is an instrument for economic, social, and spiritual advance and regeneration in a world which he views with fear if not animosity. His union is his political party and church, the depository of his social hopes and dreams.

2. Some three-quarters of the membership of the I.L.G.W.U. live and work in New York City. The remaining quarter are scattered all over the United States from Boston to Los Angeles, and nowhere do they constitute a significant block of organized power. Thus, whoever secured control of the New York organization, whether right or left wing, had virtual control over the entire

International Union which depended on New York dues for its existence.

3. The Jewish immigrant workers in New York City have built up a powerful labor press. In addition to the older well-established socialist daily paper, there came several years ago a communist daily paper of considerable influence. The socialist daily was built by the pioneers of the trade-union movement among the Jewish workers. It has become synonymous with the functioning leadership of the labor organizations where the Jews either prevail or dominate. By virtue of this personal relationship any fight waged against the existing leadership has been construed immediately as a fight against the Jewish socialist daily and vice versa. The launching of a communist Yiddish daily was a challenge if not a direct menace to the prevailing leadership. The inevitable fight of the two daily papers for their life and influence strongly affected the left-right conflict in the I.L.G.W.U. Besides its partisan interest each paper saw in the defeat or victory of the faction it sponsored the doom or the growth of its own influence, circulation, advertising value, and power. The two factions drew heavily on their respective papers for support and received it. The socialist *Vorwärts* supported the right wing financially and with whatever power of publicity it had, playing, however, a subordinate rôle in the determination of the immediate industrial policy the wing was to pursue. The communist *Freiheit*, owned and controlled by the Workers' party, had complete control over the industrial and political policy of its adherents in the needle trades, first as an opposition, and later as the party in power.

These exceptional political and racial circumstances make it impossible to generalize too broadly about the experience of the left wing in the needle trades. It is conceivable that the left wing in power in an altogether different trade-union situation would have followed a course different from the one pursued by the left wing in the needle trades. And it is equally possible that in no other trade-union situation would the left wing have come into control so completely and so largely by political means as was the case in the I.L.G.W.U.

The opposition group in the International which came into power in 1925 had a history of years of struggling. Opposition groups were formed in that organization as far back as 1915. A good many of the opposition leaders of 1926–27 had held office in

local unions and in larger divisions of the organization in New York, with the result that there had been an experienced contingent of leadership in the movement to take care of practical affairs in case victory should chance their way.

The general issues between administration and opposition in the I.L.G.W.U., as they had developed in the course of time, besides personal motives inevitable in every movement, may be summarized as follows:

1. The demand for the exercise of greater democracy in the administration of union affairs. Proportional representation of local unions in the Joint Boards was demanded, also the abolition of "rotten boroughs."

2. The fight against inefficient leadership "hold-overs," and administrative favoritism. The insurgents demanded the removal of certain officers who were appointed or sponsored by the International Office.

3. The failure of the administration to enforce existing agreements or to negotiate more advantageous terms. This was cited as inherent in the type of leadership in office: non-aggressive, disloyal to the rank and file.

4. The demand for freedom of expression and anti-administrative groupings. This was directed against the policy of expelling members for belonging to such left-wing bodies as the T.U.E.L.

5. Dissatisfaction with the generally conservative course of the union leaders in matters not directly relevant to the industrial issues, as, for instance, their stand on Russia or on the issue of a labor party.

6. Opposition to extravagance, to direct dishonesty, to the "pretorian guards" with which union leaders have surrounded themselves at the expense of the organization and for no better purpose than to assure elections and to intimidate oppositions.

The claims of the opposition cannot be said to be characteristic of developments in New York City or the ladies' garment industry only. They might have been raised in many another industry, in other cities, and have been no less grounded in actual facts than was the case in New York. It is fair to say that the opposition in that city had genuine grievances to record, and whether or not the methods it employed to redress these grievances were the proper ones to use in their situation, they had a good case and the support of a considerable part of the membership.

The left-wing administration of the New York Joint Board of the I.L.G.W.U. remained in power over one year, from the fall of 1925 to late in the fall of 1926. It seemed safely intrenched while the organization remained at peace with the employers. But by its own activity and agitations previous to its ascendancy to power, the left-wing administration was committed to a policy of aggressiveness out of accord with the realities of the industrial situation. The general strike of 1926 was the straw that broke the power of the opposition.

The Governor's Commission above referred to announced its final findings in May, 1926, and recommended that the employers grant a substantial part of the union's demands. The union under the control of the left wing answered the refusal of the employers to make further concessions with the declaration of a general strike. The major issues were: the forty-hour working week, a guarantee of thirty-six weeks of employment in the year, and the limitation of the number of contractors to whom a jobber might farm out work. The latter demand was vital under the structure of the industry. The strike began July 1, under the undivided leadership of the left-wing officers of the New York Joint Board.

The strike lasted some twenty weeks and ended in a compromise agreement which the left-wing administration itself described as generally unsatisfactory but thought it was as good a settlement as could have been secured under the circumstances. The right-wing leaders assailed the settlement as a disastrous defeat. In fact, the union lost or compromised the major issues over which they had engaged in the struggle. The forty-hour working week was compromised, and that demand under the circumstances was more political than industrial. The demand for a thirty-six-week employment guarantee was dropped along with the very vital issue of limitation of contractors. The union further consented to the original recommendation of the Governor's Commission, giving the employers the right to reorganize their shops annually and to discharge up to 10% of their employees. The last point was of grave significance. The right of the worker to hold his job without risk of arbitrary discharge by the employer without reasonable and just cause was a basic acquisition in the ladies' garment industry. It was precisely over this issue that negotiations with the largest organized body of the employers, the Industrial Council, were broken off, and the strike declared.

The International officers stepped into the situation. They removed the left-wing officers of the Joint Board from control of the strike and secured from the Governor's Commission, acting as arbitration board, a new decision of the issue between the Industrial Council and the Union. The decision was somewhat more favorable to the union, as it limited the exercise of the right of annual reorganization and 10% discharge to shops employing more than thirty-five workers.

Toward the end of 1926, assisted by the leaders of the other right-wing unions, the officers of the International staged a thorough comeback. In the fight which accompanied the elimination of the left wing, neither side stopped at anything to regain or to retain control. The lefts vied with the rights in conceding industrial immunity to employers' organizations and individuals in exchange for recognition. By the end of 1927 the left wing was routed, their surviving skeleton organization seeking consolation in the fact that the rights had no strength either. The formerly powerful organization of the cloak- and dress-makers was reduced to industrial impotence by the disastrous internal fight.

This may be said to have happened to the left-wing opposition while they were in power:

1. The left wing discovered soon enough that what was an easy point of criticism when directed against the administration in power proved a boomerang when the opposition was itself charged with power and responsibility. Their task was even more difficult because they were in complete control of the administration and had no one to blame for their failure to live up to their earlier very generous promises of industrial and organizational reforms.

2. Nearly every evil that the opposition had charged against the old administrations remained an evil under the new régime as well. If democracy and freedom of speech were issues in the struggle for power, the lefts in office showed no more regard than their predecessors for these rights and liberties. They did not make any pretense of democracy. They did not submit to the customary referendum vote of the members so important a step as the calling of the general strike which involved 35,000 workers. They accorded their own opposition the treatment they were receiving when the old group was in power. It looked as if left wingers adhered to the well-known political formula: When you are in power we demand of you freedom in the name of *your*

principles, and when we are in power we refuse freedom to you in the name of *our* principles.

3. The method of settling disputes by arbitration had been decried by the left wing all through the campaign for office. When, however, it was confronted by a strike in the dress industry, the left-wing administration sought and secured an agreement with arbitration as the basis.

Undoubtedly the opposition had to cope with very great difficulties when they assumed control of the organization. They were up against all sorts of counter-action, concealed when not overt, from their opponents; but so had the rights been. What had really led the left wing toward their undoing was their inability to disentangle themselves from the oppressive, relentless control of the communist machine superimposed by the Workers' party upon the left wing. The subordination of industrial strategy to outside political pressure was the cause of the left-wing defeat in New York. The reckless tactics, the free use of Machiavellian methods in dealing with opponents and allies alike, fostered by the Communist party strategists upon the left wing in the trade-union organizations, whenever they had a chance to do so, have supplied the justification for the use by administrations everywhere of any means to suppress an opposition. The memory of the left-wing administration in New York will most likely, for a long time to come, make impossible any effective orderly opposition in American trade unionism.

8. The Gold Rush: Zeroes for Heroes

And it was strong here as elsewhere—a spirit that had moved in the depths of the American soil and labored there, sweating, till it stirred the surface, rove the mountains, and emerged, tangible and monstrous, the god of all good American hearts—Bigness. . . . In the souls of the burghers there had always been the profound longing for size. . . . We must grow! We must be Big! We must be Bigger! Bigness means Money! And the thing began to happen; their longing became a mighty Will. We must be Bigger! Bigger! Bigger! Get People here! Coax them here! Bribe them! Swindle them into coming, if you must, but get them! Shout them into coming! Deafen them into coming! Any kind of people; all kinds of people! We must be Bigger! Blow! Boost! Brag! Kill the fault-finder! Scream and bellow to the Most High: Bigness is patriotism and honor! Bigness is love and life and happiness! Bigness is Money! We want Bigness!—Booth Tarkington, *The Turmoil.*

Under pressure of war, industry was obliged to reorganize for production. The state became an immense buyer, *the* financier, the director general of all things. Protected by a *cost plus* basis of doing business, the captains of industry entered public service as dollar-a-year patriots. It was the loveliest war ever—sufficiently removed for its horrors to be bearable and financially huge enough to absorb the work of all the jobless of the nation. And there was a happy ending, in view, too. Right after the war, everybody knew that, the great redemption was to arrive in the shape of Reconstruction. The nation would then put to systematic peace-time uses the experience gained during the war. Production would be carried on for use, with a neat little profit, of course. Labor would do its share to increase the nation's output and, profiting by a correspondingly rising share in the increase—how else?—labor would also consume more, that is, absorb the available surplus of salable goods. The returned soldiers, wiser because of their great experience in No Man's Land and for the same reason more socially minded, would contribute their part to the unfolding of life by reason and a fair return on investments.

But something must have gone wrong with the schedule. The much-talked-of Reconstruction Era failed to put in an appearance. The first year of peace went off in feverish preparations for a showdown and at the end of 1920 and the beginning of 1921 several millions of de-militarized, re-civil-ized war heroes marched up and down the streets looking for employment, trying to find the job that was to have been waiting for them.

However, toward the end of 1921 the curve of prosperity chose to rise once again. The business index took an upward course. From 80 in 1920, the monthly average for 1919 taken as 100, the index rose to 98 in 1922 and 120 in 1923. To 1927 it has never dropped below 100. The nation's best business minds settled down to making profits while the making was good. Cured of the war days' state ambitions, industry proceeded to reorganization for the benefit of the bankers.

The wizards of finance have succeeded in hierarchy to the captains of industry. Business chances, prospects, dreams, claims and counterclaims were capitalized over and above any realizable value, stock sold on a basis of capitalized, hardly probable, if at all possible dividends, and dividends declared so that stock might be sold and resold at augmented prices. It was put up to man-

agement to make dividends in the best and quickest way it could. Labor, the machine, the consumer, advertising, the credulity of the public—all elements, means, devices—were obliged to serve one end: the declaring of more and bigger dividends. The returned war heroes found new jobs. Long strings of zeroes in the capitalization figures of the nation's business corporations fascinated the popular mind.

The deflation of the war and post-war liberal illusions and the subsequent onrush of prosperity, however inadequately distributed, resulted in a variety of material and intellectual consequences to labor. Steadier employment and better earnings could not but result in dulling the edges of labor's economic consciousness, sharpened during and immediately after the war. The leadership of American labor, never too outspoken in opposition to the system as a whole, now seemed to have abandoned any intention of quarreling with it. Their native pugnacity in regard to the individual employer was relegated to the background, too. With "mergers and trusts spanning continents and bridging the seas" the old methods of fighting looked unappetizing and held out little promise of material achievement. Fighting ideologies sounded like voices from afar. A good deal of trade-union energy was directed to coöperative or near-coöperative activities, such as banking, homebuilding, insurance.

Yet it would be an incorrect assumption to say that labor did not know its mind during the peak of post-war prosperity. While in most cases at a loss to achieve tangible results—a progressive increase in earnings, recognition and expansion of organization—labor made no secret of what it thought was its due. In fact, with increased productivity came a lowering of the index of factory employment.

These conflicting circumstances caused labor to do more than its usual share of thinking. Labor discovered the existence of industry behind the person of the "boss" and sought to note the relationship between the man at work and the process of production, in addition to the issues of wages, hours and open or closed shop. Labor has not advanced too far but it has come nearer the understanding of its functional significance in the life of the nation. What this may result in as time goes on is a matter of conjecture, but it may be, in the words of Charles A. Beard, the "dawn, not the dusk of the gods."—J. B. S. Hardman.

CHAPTER II

ECONOMIC CONDITIONS AND UNION POLICY

In 1920 organized labor in this country was at the peak of its strength for all time. Now, seven years later, it is as weak or weaker than it was before the war. Nothing can be lost, and some benefit may be had, by looking at the movement in detail and discovering where these losses have taken place and what the present position of unionism in the United States is. I shall pass in review the industries where organized labor has been established for some decades and venture some guess as to the causes of the present state of disintegration.

The United Mine Workers is probably less than half its size of 1920 and is steadily losing membership and position. In the anthracite industry it is intact and powerful, but in the soft-coal fields no one can afford to close his eyes to the union's steady decline. The industry has moved more and more to new areas and old areas have become increasingly non-union. This movement does not appear yet to have stopped. Where and when it will stop, no one can tell. While injunctions and anti-union forces in West Virginia have been crucial factors in the situation, much of what has happened can be accounted for only by the union's inability to measure, control, and direct the economic forces operating in the industry during the past ten years.

Except among the train-service employees, and here and there the shop crafts, unionism was shattered on the railroads in 1921 and 1922. A gigantic strike was lost. The United States Railroad Labor Board, a public agency for mediation and arbitration, probably threw the weight of its influence and prestige in the direction of the railway managers. Vicious injunctions spelled defeat in the general strike. But here, too, a major factor in the situation, which trade unions cannot in retrospect afford to overlook, was the inability of the unions to turn around fast enough to meet changing economic conditions.

In the metal trades the losses of organized labor have been general and persistent. The decline of the iron-molders' union started long ago with the introduction of machinery and the use

of that machinery by a hostile employers' association. Machinery won the day. The machinists' union is a shadow of its former self, having suffered overwhelming losses both on the railroads and in the machine industry generally. So far there are only slight signs of a revival of unionism in this important and enormous industry.

Textile unionism is nearly shattered. The past ten years have witnessed fundamental changes in the industry, with which organized labor has been unable to grapple. A large part of the industry has moved south, where it thrives and takes more and more of the business from the North. The North has suffered consistently from depression and unemployment. The woolen and worsted industry, with low labor standards and very little trade unionism, has also been in a severe state of continuous depression. Weak and small in New England, textile unionism is of course totally unequipped to handle the problems of the growth of a new industry in the South. In common with the general labor movement, the textile unions find the South a foreign territory which they have no means of entering.

The whole vast new industry of automobile making is free from any taint of unionism. Rumors of impending organization campaigns are occasionally heard, but soon evaporate into thin air. A new industry with new machines, novel processes of work, strange and unheard-of divisions of labor, refuses to conform to the molds of an established unionism, and therefore goes its own way, free from collective bargaining, joint wage determination, protection of the job—in short, the great variety of types of things an intelligent and vigorous labor organization injects into an industry.

All of the food industry, in its divisions and subdivisions, is, as an industry, for all practical purposes unorganized. In the packing houses organization was eliminated seven years ago. It has not yet returned. The great baking industry, in so far as it is conducted industrially by such agencies as the National Biscuit Company or the Wards, is non-union and also shows signs of remaining so. In this industry, too, it should be noted, there is no evidence of the existence of company unions in any of their many forms.

Steel, likewise, has its own American collective bargaining. A miscellaneous group of industries tell the same story. In the cigar

industry embargoes imposed by the union, many years ago, against machinery and woman labor proved futile, and the union lost membership. Again the victory was that of the machine. The vast tobacco industry was never organized and is not now. The strong Brewery Workers' Union fell a victim to the Volstead Act and has yielded no satisfactory substitute in the new industries that have arisen to replace the old.

Everywhere the same story is repeated with monotonous regularity. The underlying economic forces, to which American organized labor has seemed unable to adjust itself, pursue their course and show no signs of changing their direction. Machinery continues to be more, not less, of a factor in the industrial situation than ever before. Negro labor, for whose treatment unionism has not yet devised a satisfactory method, continues to move north and to be increasingly industrialized in both the North and South. The same is true of woman labor. Old categories of skill are dissolving into new ones which make the archaic jurisdiction claims of unions look strange and silly.

And yet the years in which these radical changes in the positions of American trade unions have occurred have been years of great industrial activity, full employment, and high earnings—periods which by their very nature, according to accepted trade-union doctrine, are highly favorable to the spread of unionism. But quiet has everywhere prevailed; strikes, where they have occurred, have been largely defensive; and new territory has remained untouched.

Only in a few places can an observer find variations from this dull and depressing picture. Organized labor in the building trades, needle trades, printing industry, and on the stage has in each case more than held its own. The building-trades unions are stronger than at any time in their history. Yet the construction industry has experienced in the past ten years a veritable revolution in industrial technique and business organization. Allowing for the effects of the recent internal disturbances in a few of the needle-trades unions, a revival of strength may be expected there; and the largest of these, the Amalgamated, has in the past few years passed the peak of its post-war strength. The actors' union has solidified its gains of the past, strengthened its position, and has come to be regarded as an established labor organization. While the printing unions have suffered losses in the book and job

industry, they are still a factor there and continue to dominate conditions in the newspaper field.

The literature on the American labor movement is filled with reasons for the present demoralized state of organized labor. But in fact only two reasons are important and useful in estimating the present situation and in peering into the future. The American Federation of Labor as a centralized organizing machine had fallen into disuse for this purpose several decades ago, and as it grew older it lost, with its youth, its energy and initiative. Organizers lost their interest in campaigns for extending membership and became mediators among powerful international unions, local unions, and central bodies. The international unions themselves, in many cases well established and financially strong, were on the whole more concerned with holding what they had than with widening the area of organization; not realizing how dependent their own position was on the strength of the movement as a whole. Only during the war, when the opportunities for organization were so spectacular that they could not be disregarded, was there any substantial change in attitude and practice. But after the war, the movement again fell back on defensive measures and into moods of dismay and despair.

At the same time unions already firmly implanted during the 90's and in the decade from 1900 to 1910, as well as the new war crop, totally misread the trends in American industry. They took too lightly the inroads of machinery and the division of processes. They failed to appreciate the persistence of the movement that year after year brought, more and more, women, negroes, semi-skilled and unskilled workers into industry. They failed, in common with many observers outside of the labor movement, to appreciate the potential industrial resources of the South. In specific instances, as with the West Virginia coal fields, they grossly exaggerated their own power and underestimated the productivity of a new competitive industrial area. And all the while they neglected to adapt their machinery of organization to the task of admitting and holding in membership a highly industrialized working population, quite different from the craftsmen who founded the great craft unions of the United States in the 70's, 80's, and 90's.

Other explanations of the failure of American labor to grow apace with the growth of the country and its industry are either

not so influential as they appear or they are simply other ways of looking at the causes just cited. It is, for example, true that organized labor here encounters severe legal disabilities. But the record indicates that an imaginative and forceful policy more often overcomes these legal obstacles than not. Similar mystic potency attaches to such a development as the company-union movement, which is not nearly the barrier to bona fide organization that it is credited with being. The company unions survive and presumably prosper because they have not yet, in modern times, met direct and continuous attack. In this respect the non-union industry, safeguarded by a company union, appears to be in no different position from a non-union industry that deals directly with its unorganized labor. And in this country the last group is by far the more numerous of the two.

This brief sketch is by and large an accurate representation of organized labor in the American scene. As a picture of the immediate past of the labor movement it cannot fail to furnish food for thought to its friends who are concerned with its welfare and progress. There are, indeed, already signs, still difficult to estimate, that factors within the movement are alive to the straits into which it has fallen and are seeking measures to instil new life into it. The American Federation of Labor, for the first time in many years, has stirred its machinery of organization. Its hand is seen in the textile industry of New Jersey, the automobile industry of Detroit, and among the transit employees of New York City. It no longer pursues a policy of watchful waiting, but begins actually to participate in a drive for new members. It has tackled, no one can yet say how successfully, the tangled mass of American labor's jurisdictional claims which unquestionably has retarded the growth of unionism in many new and old industries. Its work in this direction may require many years for fruition; but, anyhow, mere preoccupation with the problem and the public recognition of its existence is a notable mark of progress.

In the field of industrial policy, likewise, both the American Federation of Labor and many of its more important constituent unions have begun to undermine the old, deeply rooted taboos and to create a sounder and more realistic union policy. The B. and O. Plan, and all of the devices unfortunately described by such a verbal monstrosity as "employee-management coöperation," or, worse still, "labor representation in ownership manage-

ment," are no more than examples of this healthy trend. Critics of the movement show dissatisfaction with these tendencies and call their manifestations "class collaboration" or "trade-union capitalism." But both the criticisms and the epithets are irrelevant to the problems which American organized labor is now called upon to consider and solve. Where it has long held power and wishes to retain it, organized labor has begun to learn that it must accept an increasing measure of industrial responsibility; that it must adjust its economic policies to the needs of a changing industry; and that it must discard many restrictive practices that have proved in the long run more harmful than beneficial to its members. The perception of these elements of sound policy earlier in the history of the movement would have salvaged much that has in its course been almost irretrievably lost.

How far these very recent measures of relief and revival will bear fruit in the form of a stronger and growing labor movement it is still too early to predict. At the moment the rise of these fresh forces can do no more than stimulate the curiosity and interest of the observer. Somewhere in the distance the sensitive eye can discern a ray of sunshine.

LEO WOLMAN.

CHAPTER III

THE NEW CAPITALISM

Distribution of Income and Wealth, Corporate Ownership, and Capital Resources During and Since the War

The conception of a "new capitalism" is recurrent. Any new stage or twist in the development of capitalism is seized upon by enthusiasts who proclaim that the economic order is about to be transformed by the particular belief prevailing at the moment. It is not extraordinary, therefore, that the "new capitalism" should reappear as an ideological factor in post-war developments. There are various forms of the conception and various groups propagandizing it, but they all agree that an "economic revolution" is transforming capitalism and realizing industrial democracy. The claims of this "new capitalism" are buttressed by two major assumptions:

1. The unequal distribution and concentration of income is coming to an end. The wage-earners are not simply receiving higher real wages: their share of the national income is now larger and becoming still larger, while the share of the non-wage-earners (particularly the larger incomes) is declining correspondingly. This "more equal" distribution of income is being accompanied by a "more equal" distribution of wealth, in consequence of which labor is acquiring "enormous" capital resources.

2. Corporate ownership is being "democratized" by the multiplication of stockholders in general and employee stock ownership in particular. The stockholdings of the large investors have declined and are still declining, while the wage-earners' share in corporate ownership is increasing. By means of these and other capital resources the working class is approaching ownership and control of corporate industry—industrial democracy.

In these assumptions the definite claim is that the "revolution" in the distribution of income, corporate ownership, and capital resources will proceed until it makes the realization of industrial democracy the inevitable product of the "full development" of capitalism.

Since the "new capitalism" is definitely against unionism, the labor unionists who accept its basic assumptions are compelled to formulate the conception somewhat differently—"trade-union capitalism," the difference being in the rôle assigned the labor unions. "Trade-union capitalism" agrees that labor's capital resources are "enormous" and of revolutionary significance, but it insists that these resources must be mobilized by labor's own appropriate investment institutions in order to transform capitalism and realize industrial democracy.

Two fundamental issues are involved in the assumptions of the "new capitalism" and its labor variant:

1. An issue of fact: Is there really developing a "more equal" distribution of income and wealth, corporate ownership, and capital resources?

2. An issue of practice: Can the wage-earners acquire sufficient capital resources to break the non-labor monoply of ownership and accomplish an "economic revolution"?

Underlying these issues is another: precisely what is this stage of economic development characterized as the "transformation" of capitalism?

These are the decisive issues—the heart of the problem—revealing the real character of the "new capitalism." While there are other aspects to the "transformation of capitalism" theory, it depends primarily upon the economics of the issues under discussion; issues which, moreover (or rather their answers) must determine objectives and means, the forms and scope of action in the struggle to transform capitalism.

1. The Distribution of Income and Wealth

A decline appeared in 1917 in the share of the national income received by the upper layers of non-wage-earners. This decline reached its lowest level in 1921 when the share of the national income received by incomes of $5000 up was (statistically) about 30% below the share of the equivalent incomes in 1916. This was seized upon as proof of the "more equal" distribution of income, and as a permanent and revolutionary development. But the decline reversed itself in 1922, and in 1925 incomes of $5000 up received a share of the national income as large as in 1916.

This movement of decline and recovery in the larger incomes was as follows:

SHARE OF THE NATIONAL INCOME OF INCOMES OF $5000 UP (1916–1925)

Year	Total National Income	Net Income of Incomes of $5000 Up	Per cent of National Income
1916	$39,200,000,000	$6,300,000,000 *	16.1
1917	48,500,000,000	7,010,000,000	14.4
1918	56,000,000,000	6,530,000,000	11.6
1919	67,250,000,000	8,709,000,000	12.9
1920	74,150,000,000	8,461,000,000	11.4
1921	62,700,000,000	6,361,000,000	10.1
1922	65,565,000,000	7,804,000,000	11.9
1923	76,770,000,000	8,373,000,000	10.9
1924	79,365,000,000	9,751,000,000	12.3
1925	86,460,000,000	12,950,000,000†	15.0

* Includes incomes of $3000 to $5000, since, owing to the depreciation of money, an income of $5000 in 1925 was about equal to a $3000 income in 1916.

† Includes an allowance of $415,000,000 of non-reportable tax-exempt income non-existent in 1916.

Estimates of the national income are by the National Bureau of Economic Research. Net income is compiled from *Statistics of Income, 1916–1924*, and *Preliminary Report, Statistics of Income, 1925*, issued by the United States Bureau of Internal Revenue. (Note: The actual income received is larger than reported for tax purposes; according to the National Bureau of Economic Research, the share of the national income received by incomes of $5000 up was 14.8% in 1919, 13.2% in 1920 and 11.7% in 1921, an average of 1.7 points above the estimates in this table.)

While the concentration of income in 1925 was apparently slightly below 1916 (an exceptionally prosperous year for the larger incomes) the difference is probably offset by the concealment and underestimating of income. The recovery in the larger incomes is complete and overwhelming.

Clearly the decline was the temporary product of temporary conditions, not a "revolutionary" manifestation of the "new capitalism." It was the product of war taxation, the depreciation of money and the 1921 depression.

While corporate earnings during the war were fabulous, only a comparatively small share appeared as dividends. Federal taxes absorbed 2% of corporate net profits in 1916 and an average of 25% during 1917–1920, the government receiving in these four years $9,191,784,000.[1] Another large share was used in the enlargement of plant and equipment, the major corporations increas-

[1] *Statistics of Income, 1923*, p. 29. United States Bureau of Internal Revenue.

ing their capital investment from 40% to over 100% almost exclusively out of war profits. Dividends remained stationary in nominal money, but decreased considerably in terms of real money and as percentages of the national income. This was an important factor, since dividends normally constitute from 20% to 35% of the income of the larger incomes. The consequent decline in the larger incomes was emphasized by the relative decrease in fixed-interest payments owing to the depreciation of money. The business depression of 1921 gave the final downward push to the larger incomes.

But while real, the decline was not as large as appears statistically. The larger incomes invested heavily and steadily in tax-exempt securities. This legal evasion of taxation was supplemented by the illegal evasion of concealing and underestimating income, which assumed such proportions as to draw the condemnation of the Secretary of the Treasury and of Congressional investigations. Moreover, while the unusual proportion of reinvested profits meant a decline of individual incomes, that was simply reserving the profits for future distribution, as in the payment of enormous stock dividends of $5,350,000,000 between 1922 and 1925 and the jump in cash dividends from an average of $2,400,000,000 in 1917–1920 to $3,400,000,000 in 1923–1925. The prevailing corporate prosperity is in a measure due to the practical technical reconstruction of American industry during the war years by the reinvestment of profits.

It was inevitable, accordingly, that the concentration of income should reassert itself the moment the temporary causes of its decline disappeared.

Whom did the temporary decline in the larger incomes favor? In spite of all claims to the contrary, the wage-earners' share of the national income was approximately constant during the war. During 1917–1919 the decline in the larger incomes was absorbed almost exclusively by non-wage-earner incomes below $10,000 and by the farmers. In these three years the farmers received an average share of 16.5% of the national income, 3.8 points above their 1916 share. The "employees' share" was 54% in 1919, rising to 59% in 1920 and 58% in 1921.[1] This increase was fortuitous, being the product of unusually active employment in 1920, the lowering of profits owing to price declines due to overproduction

[1] Maurice Leven, *Income in the Various States*, p. 51.

and competition, and a severe decline in the farmers' income, culminating in the depression of 1921.

But since 1920 there has been a decline in the employees' share of the national income, of which there are three separate indications.

Between 1920 and 1923 the proportion of the value product of industry paid out in wages and salaries (employees' share) decreased as follows:

EMPLOYEES' SHARE (PERCENTAGES) OF THE VALUE PRODUCT OF INDUSTRY (1920–1923)

Industry	*1920*	*1921*	*1922*	*1923*
Manufacturing	64.6	74.6	66.2	64.4
Steam Railroads	90.4	70.7	68.8	68.7
Street Railways	67.1	63.2	60.7	61.7
Construction	93.8	97.3	95.5	90.3
Water Transportation	92.0	82.7	76.4	76.7
Mining, Quarrying, and Oil Wells	52.3	75.8	56.3	59.3
Telephone	74.3	69.4	67.4	67.2
Telegraph and Cable	75.9	75.0	68.4	72.3
Electric Light and Power	37.6	34.9	33.5	32.8
Mercantile	71.9	75.3	72.3	66.7
Farm Laborers	16.7	16.4	11.3	12.0
Personal Service	60.4	64.9	63.5	60.6
Professional Service	24.0	23.3	21.9	22.6

Compiled from *National Wealth and Income*, issued by the Federal Trade Commission, 1926.

In spite of the variations and the fluctuations, the indications of a decline are unmistakable, and it continued after 1923.

According to the Census Bureau, wage-earners in manufacturing establishments (exclusive of salaried employees) received $10,729,000,000 in wages in 1925, a decline of $270,000,000 over 1923, while the "value added by manufacture" increased from $25,777,000,000 to $26,774,000,000. In other words, the wage-earners' share of the value product of manufacturing in 1925 was 40.1%, as against 42.7% in 1923, 44.8% in 1921, 42.2% in 1919 and 41.8% in 1914—the lowest share in ten years.

The final indication of a decline in the employees' share of the national income is comparative. The employees' share of the national income during 1919–1921 averaged 57%; the average of "wages and salaries" in the income-tax reports for the same period was 55%, two points less. In the 1924 income-tax report

"wages and salaries" constituted 46% of the income. If we increase that by two points, and conservatively by still two more points, then it appears that the employees' share of the national income was probably below 50%. That compares with 53.5% in 1890, 46.9% in 1910,[1] 54% in 1919 and 58% in 1921—and that is the "more equal" distribution of income being realized by the "new capitalism"!

But "employees' share" is not synonymous with the share of the wage-earners, since it includes the $500 wage, the $150,000 salary, directors' fees, etc. In 1924 the "wages and salaries" of incomes of $3000 up (non-wage-earners) amounted to $7,000,000,000, or 8.8% of the national income. Non-wage-earner employees with incomes below $3000 probably received 3.2% as their share of the national income. (This would mean approximately 1,200,000 salaried employees, on the basis of an average salary of $2400.) This makes the wage-earners' share of the national income 38%.

By combining the material in *Statistics of Income* and other sources, and making the necessary adjustments, we get the following results:

THE CLASS DISTRIBUTION OF THE NATIONAL INCOME (1925)

Class or Group	*Number Gainfully Occupied*	*Per cent Gainfully Occupied*	*Total Class Income*	*Per cent of National Income*	*Average Income*
Working Class	27,660,000	63.0	$31,715,000,000	38.0	$ 1150
Farmers	6,385,000	14.6	8,000,000,000	9.2	1250
Non-wage-earners:					
Below $3000	7,033,850	16.0	18,545,000,000	22.5	2635
$3000–$10,000	2,500,000	5.7	13,900,000,000	16.7	5530
Over $10,000	321,150	.7	11,300,000,000	13.6	35000
Total	43,900,000	100.0	$83,460,000,000	100.0	$ 1900

The estimate of national income, by the National Bureau of Economic Research, is less $3,000,000,000 of "interest upon the sums invested in household furnishings, clothing and the like," the assignment of which is beyond the scope of this analysis.

Working class includes 4,000,000 hired farm laborers, whose wages in 1925 amounted to $1,206,000,000. Non-wage-earner incomes below $3000 comprise shopkeepers, petty manufacturers, professionals, salaried employees in managerial and supervisory capacity, etc.

Farmers' net income, that is, net cash income plus value of food and fuel produced and consumed on farms, was $6,383,000,000 for 1924–1925.

[1] Willford I. King, *The Wealth and Income of the People of the United States*, p. 160.

(*Crops and Markets*, July, 1925, p. 236.) To that is added $1,809,000,000 paid out in rent and interest, $300,000,000 for rental value of homes, and possibly $200,000,000 investment income.

Incomes of $3000 to $10,000 includes the 1925 net income of incomes of $5000 to $10,000, plus an allowance of $80,000,000 of tax-exempt income and $555,000,000 for underestimating and concealment of income. Owing to the shift in exemptions, only a part of the incomes between $3000 and $5000 reported in 1925, therefore the 1924 net income of this group is taken as the base, plus a probable increase of $1,000,000,000, and $750,000,000 as the income of perhaps 250,000 individuals who appeared in incomes below $3000 because of underestimating. The whole $3000–$10,000 group is allowed $750,000,000 as the rental value of homes.

Incomes of $10,000 up includes the 1925 net income, plus $385,000,000 tax-exempt income, $1,323,000,000 for underestimating, and $750,000,000 rental value of homes. (Rental value of urban homes in 1925 was approximately $2,000,000,000, of which $150,000,000, may be assigned wage-earners and $350,000,000 non-wage-earner incomes below $3000.)

The concentration of income is overwhelming, 6.4% of the gainfully occupied receiving 30.3% of the national income. If we should take the richest 1.6% of the gainfully occupied in 1925 (roughly incomes of $5500 up), their share of the national income was probably 18%. In 1910 1.6% of the gainfully occupied received 19% of the national income, and 10.8% in 1896.[1] The concentration of income was apparently slightly less than in 1910 (judging by the enormous profits in 1926, that year will tell another story), but was almost 70% greater than in 1896. Is this the "revolution in the distribution of income" proclaimed by the "new capitalism"? The only change is that middle-class incomes are receiving a slightly larger share of the national income, mostly at the expense of the farmers.

Apparently the wage-earners' share is decreasing instead of increasing. (The share is confirmed by the fact that the average wage-earner income of $1150 is almost equal to the average wage of $1280 in manufacturing in 1925.) Moreover, their 38% is of *current* income only. There is another income received by the propertied classes, comprised in "inventory gains," that is, the increase in the value of property and investments, a value which becomes a tax upon production and a claim upon the national income. In 1921 these inventory gains totaled $21,691,000,000.[2] Although in some years there may be a decline, still the trend is

[1] W. I. King, *Wealth and Income*, p. 231.
[2] M. Leven, *Income in the Various States*, p. 32.

continuously upward. If these gains were included, then the wage-earners' share of the national income would average below 35%.

Nor are the farmers affected by the "revolution" in the distribution of income proclaimed by the "new capitalism." While there has been a slight gain in the farmers' absolute net income since the catastrophic decline in 1921, their share of the national income is still decreasing, being 7.4% in 1921 and 6.5% in 1925, calculated on the basis of "net income" as given in *Crops and Markets*, July, 1925. While this net income is not all of the farmers' income, it gives the trend of the decline. The larger part of the gain in labor's real wages since 1919 comes from declining prices of foodstuffs, and is being borne by the farmers and not by the masters of manufacturing and distribution.

The conception of a larger wage-earner share of the national income usually justifies itself by the fact that the wage-earners are now receiving higher real wages. But the increase in real wages is usually grossly overestimated (although admittedly labor has improved its condition). Moreover, there is no necessary connection between higher real wages and a larger labor share of the national income, just as there is no necessary connection between higher real wages and increased production. During 1890–1914 there was a decided increase in the productivity of labor, while real wages declined substantially. Equally, higher real wages may be accompanied by a smaller labor share of the national income if the productivity of labor increases more than the increase in real wages—which is precisely what has occurred. In 1925 there was an absolute decline over 1923 of $270,000,000 in the wages of labor in manufacturing, while the "value added by manufacture" increased $1,000,000,000. Production increased 4.1% over 1923, while wage-earners declined 4.4% and their wages declined 2.5%. The decline in 1926 over 1919 was still larger—a 29% increase in production and a 10% decrease in wage-earners and wages. While industrial production in 1926 increased 3.6% over 1925, employment increased only .7% and earnings only .5%.

The inequality and concentration of income is solidly rooted in the concentration of ownership of property. During the years of the temporary decline in the concentration of income there was no shift in the ownership of property. In fact in 1921, when the decline in the larger incomes reached the lowest levels, property values increased by $21,691,000,000. Increase in property values

necessarily produces a renewal in the concentration of income, since property is a tax upon production and a claim upon the national income.

It is true that the "new capitalism" claims that the distribution of wealth is being democratized, but there is nothing to justify the claim. The only recent study of the distribution of wealth is the Federal Trade Commission's report on National Wealth and Income, issued in 1926. The report offers no proof of a "more equal" distribution of wealth.

The Commission concludes that its study indicates "an apparent trend toward a somewhat wider distribution [of wealth]. In 1912 about 29% of all probated estates amounted to less than $1000 each, while in 1923 only 20.8% were less than $1000. Furthermore in 1912 the estates of over $100,000 each amounted to 52% of the total value of all estates probated, while in 1923 they amounted to only 45.9% of the total." But in the period under consideration there was a decline in the average purchasing power of money, the real value of which in 1923 was about 45% below 1912 (in terms of the general price level). This would automatically raise nominal values. Consequently the decline in the number of estates below $1000 would indicate not a lessening in the concentration of wealth, but that the nominal value of the smaller estates moved upward because of the inflation of values. In terms of real values the comparison should be roughly between estates below $500 in 1912 and below $1000 in 1923. On this basis the comparable estates in 1912 amounted to 16.4% of the total and 20.8% in 1923, the percentages of the total value being .3% and .6% respectively. The percentages about equal each other, particularly as the comparison should be with estates somewhat above $500 in 1912 (for which there are no figures). The inescapable conclusion is that the lower estates remained practically stationary.

There was, however, a decline in the largest estates. Estates of $1,000,000 and over remained stationary in number, but their percentage of the value of all estates declined from 20.2% to 8.5%. But the decline was absorbed almost exclusively by estates between $10,000 and $1,000,000, not by the mass of the people. Moreover, it is probable that this decline has reversed itself, since the recipients of incomes of $50,000 and over (roughly equivalent to $1,000,000 estates) increased from 16,500 in 1923 to 35,000 in 1925.

The comparisons are on the basis of 2854 probated estates in 1912 and 4160 in 1923. Non-probated estates are excluded. By including decedents leaving no probated estates (76.5% of all decedents) the Commission concludes that 1.1%, leaving estates of $50,000 and over, owned 58.9% of the estimated wealth. In 1916 the Industrial Relations Commission estimated that 1% of the people owned 60% of the wealth. In 1910 it was estimated that 2% owned 60%. The concentration of wealth in 1923 was about equal to 1916 and substantially larger than in 1910.

The final distribution was as follows:

THE DISTRIBUTION OF WEALTH (1923)

Estates	*Per cent of All Estates*	*Per cent of Total Value*
Below $500	79.8	5.4
$500 to $10,000	14.9	12.7
$10,000 to $50,000	4.2	23.0
Over $50,000	1.1	58.9

These estimates are based upon 184,958 estates, of which 141,446 were not probated and to which were assigned a probable value of $258. (*National Wealth and Income*, p. 58.)

Not only is there no decline in the concentration of wealth, but the prevailing concentration is staggering. Under the "new capitalism" 76.5% of all decedents (the overwhelming majority of the industrial and agricultural producers) left estates of a probable value of $258, enough to bury them; while 5.3% owned 81.9% of the wealth. In England, where there is no "new capitalism" but imperialistic stagnation, the concentration of wealth is apparently slightly less than in the United States, 7% of the people owning 80% of the wealth and 1% owning 55%.[1]

The inequality and concentration of income and wealth are inherent in capitalism, fundamental and unshakable. Capitalism produces a temporary "democratization" of income and wealth only where it is in process of crushing the old feudal order. Become dominant, capitalism creates a concentration of its own, which through all fluctuations moves steadily upward. In its developing, competitive stage American capitalism lessened the concentration of income, between 1850 and 1890; [2] but thereafter,

[1] H. W. Parkinson, *From Capitalism to Freedom*, p. 81. (London, 1925.)

[2] "The fraction of total income going to the favored few decreased during the period 1850 to 1890, but since 1890 has been on the increase." W. I. King, *Wealth and Income*, p. 218.

with the coming of monopolistic capitalism, a new and larger concentration of income and wealth appeared. After twenty-five years of intense agitation, liberalism succeeded in securing the income-tax and inheritance-tax laws, as means of "democratizing" income and wealth, but they were complete failures. After a great war, heavy taxation of profits and the larger incomes, and higher real wages, the concentration of income and wealth persists unshaken, and is on the increase, in spite of the claims of the "new capitalism."

2. Corporate Ownership and Industrial Democracy

In 1922 a statistician developed the statistical assumptions of the theory that corporate ownership is being democratized. The assumptions were two:

1. Stockholders have increased from 4,400,000 in 1900 to over 14,500,000 in 1922, average holdings declining correspondingly.

2. Between 1916 and 1921 the percentage of dividends received by the large investors (incomes of $5000 up) declined considerably, indicating the developing democratization of corporate ownership.

But the number of stockholders was seriously overestimated. Diversification of investments is considered indispensable and almost a religion, and the same individual may appear scores of times as a stockholder. This duplication of stockholders was not sufficiently allowed for in estimating the number of stockholders in 1900 and the increase since. A government statistician, on the basis of fuller analysis, concludes that in 1924 there were 2,358,000 stockholders (as against 1,000,000 in 1912) distributed as follows: Stockholders reporting net income to the federal government, 889,000; stockholders receiving dividends due to inheritance and with net incomes of less than $2500 or $1000, 200,000; stockholders not making income-tax returns, 1,269,000. The final conclusion is that 124,000 stockholders own 51% of the stock.[1] In other words, stockholders constitute under 6% of the gainfully occupied, while 5.3% of the stockholders and .3% of the gainfully occupied own 51% of corporate stock.

On the basis of incomes below $5000 receiving a larger share of dividends in 1921 than in 1916, the conclusion was broadcast that "the masses" were enlarging their share of corporate ownership.

[1] "The U. S. Legion of Capitalists," by Joseph S. McCoy, in the *American Bankers Association Journal*, February, 1917, p. 626.

The 1921 statistics are still being used, although the decline definitely reversed itself in 1922, as indicated below:

DISTRIBUTION OF DIVIDENDS (PERCENTAGES) AMONG INCOME GROUPS (1917–1925)

Year	*Below $3000*	*$3000–$5000*	*$5000–$20,000*	*$20,000 and over*
1917			25.8	64.7
1918	5.6	8.5	28.6	57.3
1919	5.2	8.1	29.2	57.5
1920	5.5	8.1	31.5	54.9
1921	13.5	9.2	30.5	46.8
1922	9.9	8.5	29.1	52.5
1923	8.4	13.5	26.7	51.4
1924	7.7	12.2	23.3	56.8
1925	4.0	7.4	24.4	64.2

The 1916 statistics are excluded as incomplete. The 1917 report does not tabulate incomes below $2000 and includes together the $2000–$4000 incomes. In 1925 less individuals filed returns owing to new exemptions in the incomes below $5000, and the percentages of the $5000 up incomes are probably slightly smaller than indicated. Source: *Statistics of Income, 1917–1925.* (The percentages are secured by dividing dividends received by the different groups by the total dividends of all income-taxpayers.)

The dividend percentages of incomes below $3000 remained stationary until 1921. The 1921 distribution was abnormal and of no particular significance, as the business crisis depressed many incomes below their class levels with a consequent gain in the lower level. Yet precisely the 1921 statistics are used to prove the developing decentralization of corporate ownership. It is ironical that the distribution of income and corporate ownership in 1921, when the working class was being tormented by a great industrial depression and there were 5,000,000 unemployed, should be used to buttress the assumptions of the "new capitalism." [1]

The decline in the stockholdings of incomes of $20,000 up was considered particularly significant. But in 1925 the dividend percentage received by this class was almost equal to 1917, and a recovery of 17.4 points over 1921. The decline in the dividends

[1] It is precisely the situation in 1921 which was the basis of that fantastic expression of imaginative sociology, *The Present Economic Revolution in the United States*, by Thomas Nixon Carver (1924). The book is a curious mixture of jugglery of statistics and perversion of sociological theory. Although statistics now amply indicate the temporary character of the 1921 distribution of income and corporate ownership, Professor Carver still repeats the old conclusions, and there are individuals in the labor movement who echo him.

of incomes of $5000 up was 1.9%—scarcely of revolutionary significance; while dividends received by incomes below $3000 were about equal to 1917. As in the case of income, the temporary decline in the concentration of corporate ownership is being "normalized" into its direct opposite.

This recovery is all the more emphatic considering that, between 1917 and 1925, incomes of $5000 up acquired ownership of probably $15,000,000,000 of tax-exempt bonds and foreign securities.

Still more important, the slight shift in corporate ownership was within the non-wage-earner income groups, there being no indications of the wage-earners scoring relative gains. The protagonists of "the revolution in corporate ownership" imply that dividends received by incomes below $3000 accrue to the wage-earners. But these incomes comprise wage-earners, non-wage-earners and farmers. Incomes below $1000, which receive a peculiarly large amount of dividends, are clearly not wage-earners, since a wage-earner making wages of $1000 cannot afford to purchase stock; these incomes consist of widows, minor children, etc., clearly non-wage-earners. Then there are the millions of shopkeepers, petty manufacturers, professionals, salaried employees in managerial and supervisory capacity, etc. Only a very small portion of dividends received by incomes below $3000 go to wage-earners.

In 1924 [1] dividends paid by all corporations (exclusive of stock dividends) amounted to $4,338,822,858. Corporations (including insurance companies, banks and brokerage houses) received $915,215,980, or 21.1%. Individuals filing income-tax reports received $3,250,913,954, distributed as follows: incomes below $3000, $252,192,222 (5.8%); $3000 to $10,000, $672,956,318 (15.5%); $10,000 up, $2,325,765,414 (53.6%). Foreign stockholders probably received 1.5% and educational, benevolent and other such institutions 1%.[2] There is a balance of 1.5%, a part due to underreporting and another part received by individuals not filing income-tax reports, which we may assign to incomes below $3000, making their total 7.3%. The probable distribution of this was: wage-earners, 1%; farmers, 1%; and non-wage-earners below $3000, 5.3%.

[1] Statistics compiled from *Statistics of Income*, 1924.

[2] For 1922 the Federal Trade Commission found that, among corporations reporting, foreign investors owned 1.5% of the common stock and 2.5% of the preferred; while non-profit institutions owned .9% and .9% respectively. (*National Wealth and Income*, pp. 156, 157.)

Assuming that percentage of dividends received equals amount of stock owned, the class distribution becomes:

THE CLASS DISTRIBUTION OF CORPORATE OWNERSHIP (1924)

Class or Group	*Stock Owned*	*Per cent*
Working class	$ 813,000,000	1.0
Farmers	813,000,000	1.0
Non-wage-earners:		
Below $3000	4,310,000,000	5.3
$3000 to $10,000	12,600,000,000	15.5
Over $10,000	43,576,000,000	53.6
Corporations	17,155,000,000	21.1
Foreign Investors	1,220,000,000	1.5
Institutions	813,000,000	1.0
Total	$81,300,000,000	100.0

The farmers' share is probably underestimated, and may approach 2%, considering the small but substantially prosperous number of farmers with incomes over $3000. The share of non-wage-earners below $3000 is probably overestimated. (Corporations include banks and insurance companies.) The value of corporate stock in 1924 was $81,315,452,000. (*Statistics of Income, 1924*, p. 42.)

Considering that in 1925 their dividends increased 11% over 1924, the share in corporate ownership of incomes of $10,000 up was much larger than in 1924 and probably exceeded 57%. The share of the working class was still below $1,000,000,000. But since the incomes of $10,000 up control the corporations which owned 21.1% of the stock, this class, constituting .7% of the gainfully occupied, concentrated in itself at least 78% of corporate control. (The ownership of corporate bonds is equally concentrated; of $25,000,000,000 bonds in 1924, the wage-earners' probable ownership was under $500,000,000, and farmers' a like amount.)

The wage-earners' share in corporate ownership is neither absolutely nor relatively large. In corporate ownership, as in income, it is the middle class which has scored gains.[1] The American experience parallels the British, where the multiplication of stockholders was substantially a middle-class movement.

It is often insisted that the multiplication of stockholders, by

[1] Occasionally there is admission of this from capitalist sources. In an article on "The New Ownership," Albert W. Atwood says: "Labor makes an absolute, not a relative gain in corporate ownership. . . . What we really have is a vast middle-class rather than a proletarian movement." (*Saturday Evening Post*, February 13, 1926, p. 122.)

separating ownership and management, is introducing a "new spirit" in industry—a spirit of devotion to the interests of the employees and the public and not of the stockholders, inspired by management being independent of direct ownership control. But management itself is composed of stockholders: officers and directors average an ownership of 10.7% of common stock and 5.8% of preferred, in the corporations they manage.[1] They are also stockholders in other corporations, and, moreover, are members of the class which monopolizes corporate ownership. Concentration of corporate control necessarily arises out of the prevailing concentration of ownership; the multiplication of stockholders simply produces a superconcentration of control, since by separating ownership and management, it centralizes power in the financial overlords—the banks and the great investment houses. In other words, the multiplication of stockholders, considered as promoting industrial democracy, is really an expression of the fact that ownership and management are distinct propositions, that ownership is deprived of all functions except ownership, and that industry is socialized while ownership and appropriation are still individual.

Clearly the multiplication of stockholders deprived of all economic functions, accompanied by concentration of ownership and control, is incapable of realizing industrial democracy. Where this fact is recognized, the emphasis is shifted to employee stock ownership, which, according to one enthusiast, may realize "syndicalism" in industry.

The facts of employee stock ownership are simple and indisputable:

1. Employee stock ownership is limited in amount. In 1926 employees owned in excess of $700,000,000 of corporate stock,[2] which was under 1% of the market value of all corporate stock (in excess of $95,000,000,000). While employees of the Fleischmann Company own 18% of the stock, of Swift and Company 13%, and of United States Steel 8.8%, they own only 4% of the stock of the Standard Oil of New Jersey, .7% of the Pennsylvania Railroad, and .4% of General Motors. In twenty-four of the larger corporations, which account for more than half of employee stockholdings,

[1] Federal Trade Commission, *National Wealth and Income*, p. 159. The distribution of common stock (in 1922) was: absentee stockholders, 87.7%; management (officers and directors), 10.7%; employees, 1.5%.

[2] *Employee Stock Ownership*, by Robert E. Foerster and Else H. Dietel, p. 62. (Princeton University Press, 1926.)

employees own $426,830,000 worth of shares (common and preferred), 5% of the market value of all shares.[1] But the general average is much lower.

2. Corporations promoting employee stock ownership are limited in number, between two and three hundred. The employees of twenty-four of these own more than half of the total employee holdings. Employee stock ownership in general is limited to the larger corporations, where the yield of profits is so immense (monopoly or "profiteer" industry) that a portion may be distributed among favored groups of employees. It is not, and cannot become, a universal corporate practice.

3. The proportion of employees owning stock is small; in no case is it larger than 40%—and that is exceptional. While 36% of Fleischmann employees own stock and 20% of United States Steel, the Pennsylvania percentage is 9% and General Motors 5%. The number of employee stockholders is below 1,000,000; 325,000 employees own more than half of employee stock.

4. Employee stock ownership plans make no provision for employee ownership and control, nor for partial employee representation in management. Moreover, about half the stock issued to employees is of the non-voting variety.

There are no indications in these developments of any approach to industrial democracy. This is emphasized by consideration of other aspects of employee stock ownership.

Employee stock ownership flourishes almost exclusively in corporations where unions do not exist and where management uses all means to prevent unionism. In the exceptional cases where unions exist (as in the Pennsylvania Railroad) the management is engaged in a violent struggle against the unions. Employee stock ownership is usually interwoven with company unions, works councils and other substitutes for independent unionism. Against the independence and insurgency of unionism employee stock ownership seeks to develop a group of employees who are "better satisfied . . . more efficient and dependable workmen." [2] This motive was clearly revealed almost forty years ago by an

[1] Industrial Relations Section of Princeton University, *New York Tribune*, January 23, 1927.

[2] *Employee Stock Ownership*, by Robert E. Foerster and Else H. Dietel, p. 73. Mr. Foerster and Miss Dietel naïvely state that employee stockholders "are not primarily reformers, they belong to the noninsurgent type . . . they have no essential quarrel with corporations and employers as such, nor with the industrial system as such" (p. 90).

economist who, in urging employee stock ownership, said: "When this privilege is accorded by a prosperous firm, the workmen generally show themselves eager to become capitalists on a small scale, and they indulge thereafter in very little denunciation of the class which they have entered." [1]

These were precisely the motives animating the older profit sharing; and there is a resemblance between it and employee stock ownership, emphasized by corporations often granting stock as a bonus, contributing part of the purchase price, paying extra dividends on employee stock, etc. But there are distinct differences in method determined by differences in economic and technological conditions.

Profit sharing was the expression of small-scale industry, where larger output could be assured by stimulating the initiative and skill of the individual worker. The "father" of profit sharing was an employer of painters, of handicraftsmen. But where larger output depended upon the machine and not upon the individual worker, profit sharing was useless or was limited to employees whose skill could affect output or sales. This was clearly recognized by an enthusiastic exponent of profit sharing:

> A matter of the first importance, however, is the nature of the occupation in which the system of profit sharing is applied. Theory and experience harmonize here in declaring that if the employee is to create an extra fund of profits, which shall at least provide his bonus, the business must be such that increased industry, skill, care or economy will *tell* upon the result. . . . The manufacture of cotton and woolen goods will occur as being a comparatively unpromising field for this new system. The value of the plant is very great, the working capital must be large, machinery plays the chief part, and much of the labor employed is unskilled, save in a very narrow line. The market is variable, and the balance sheet is determined more by the skill of the management than by the quality of the manual labor employed.[2]

It was this circumstance which wrecked profit sharing. Small-scale industry developed and merged into enormous producing units, representing larger and larger masses of capital; more and

[1] *Profit Sharing*, by Nicholas Paine Gilman, p. 409. (Boston, 1889.) Gilman maintained that employee stock ownership "tends to make the establishment a purely co-operative one in time" (p. 109). But where, after the lapse of forty years, are these "co-operative establishments"?

[2] N. P. Gilman, *Profit Sharing*, p. 394. Roger Babson (*Recent Labor Progress*, 1924) also insists that profit sharing is not applicable to an industry "where there is very little that the employee could do to increase the profits of the business" (p. 265).

more machinery was introduced, making production an almost automatic process performed by unskilled labor. Under supermachine production labor is paced by the machine, and output depends upon the machine and not upon the individual worker's skill and initiative. Profit sharing offers the employers no inducement in large-scale industry; and none, either, where individual skill is still important but where unions exist, since profit sharing is directed against unionism.

But the employers are still under the compulsion of securing "more dependable workmen." There are still categories of workers, even in large-scale industry, capable of being manipulated to enlarge output. The complicated character of supermachine production is menaced by excessive labor turnover. And, finally, strikes are fatal to the yield of profits on the enormous masses of capital invested in large-scale industry.

These problems are pressing, and there was a phase to scientific management that met the problem. Taylorism was not simply a matter of "time and motion," but sensed the larger problem, insisting that a definite proportion of workers should be definitely placed "on the side of management." In Taylor's own words: "The work which under the old type of management practically all was done by the workmen, under the new is divided into two great divisions, and one of these divisions is deliberately handed over to those on management's side. . . . A machine shop, which, for instance, is doing an intricate business . . . will have one man on the management's side to every three workmen." [1]

This aspect of Taylorism, itself an expression of technological development, is manifest in the enormous increase of supervisory employees in industry. Wage-earners in manufacturing, transportation and mining increased from 9,982,707 in 1910 to 12,757,124 in 1920, but the increase in supervisory employees was relatively much larger, from 495,169 to 823,513.[2] While this is the most important group "on the side of management," there are two others. Modern industry levels the mass of workers to non-skilled labor, but it simultaneously creates a new class of skill—the "key" men indispensable in the almost automatic process of supermachine production. The third group is composed of a limited number of

[1] *Frederick W. Taylor*, by Frank Barkley Copley, Vol. I, p. 16.
[2] Compiled from statistics in Leo Wolman's *The Growth of American Trade Unions*. (National Bureau of Economic Research, 1924.)

better-paid wage-earners. These are the three groups "on the side of management." Upon them depends "efficiency" and enlarged production, and they constitute the mass of employee stockholders. They are a minority of all employees, but are considered sufficient to "leaven the lump." Employee stock ownership flourishes where the most modern technology prevails and among employees functioning strategically in the process of super-machine production (and distribution).

This disposes of the superstition that all employee stockholders are wage-earners. "Employees" comprise all individuals other than the officers and directors; and employees subscribing to stock may earn anywhere from $1360 to $36,720 yearly (United States Steel). Wage-earners own a very small share of employee stock. The distribution of stock ownership is something like this: Absentee stockholders, 87.7%; management (officers and directors), 10.7%; employees "on the side of management" (supervisory employees, "key" men and other better-paid workers), 1.5%; mass of wage-earners, nil. Of course some of these wage-earners may own a share of stock, but the amount and percentage are negligible.

Employee stock ownership is distinctly a minority proposition. It accomplishes its purposes by distributing a limited amount of stock among limited, particular groups of employees. If all employees owned a share of stock yielding $7 yearly, that would not be much of a "loyalty" inducement; by concentrating comparatively large holdings in limited groups of employees, employee stock ownership becomes an important "disciplinary" measure. For the mass of the wage-earners there are welfare schemes, insurance, company unions, and spy systems to prevent unions and strikes by means of espionage and terrorism. The mass of wage-earners are isolated, class subdivisions are intensified, the working class is split up still more than it already is. Employee stockholders may in time receive representation on boards of directors, but they will represent employees "on the side of management" and not the mass of wage-earners, thereby consolidating the oligarchic control of industry. It is occasionally argued that employee stock ownership may prove a source of strength in strikes. Scarcely, since strikes under these conditions would be the action of precisely the workers excluded from employee stock ownership. Did the employee stockholders of United States Steel come to the aid of the great strike in 1919?

Neither the multiplication of stockholders nor employee stock ownership promotes industrial democracy. On the contrary, they are consolidating industrial oligarchy. Capitalism, by means of employee stock ownership, welfare practices and "industrial representation" schemes buttresses its supremacy, acquires reserves against the class struggle and prepares for the struggles that are coming. The "new capitalism" is simply the old capitalism adopting new means of struggle against labor.

3. "Trade-Union Capitalism"

The program of "trade-union capitalism," the labor expression of the "new capitalism," is simple: Insisting that labor must accept "the institutions of a capitalistic society and work, through capitalistic methods, toward a new social order," "trade-union capitalism" proposes to concentrate the wage-earners' savings in labor's own banks and investment institutions, thereby making labor "one of the dominating financial powers of the world." Labor's capital resources, according to a delegate at a recent convention of the American Federation of Labor, are "enormous," the acquisition of which "has been properly characterized as an economic revolution," the conclusion being that the "higher strategy of American labor" is "based upon the solid ground of capital ownership." [1] This "capital ownership" will operate to "bring industrial control to the workers" and realize industrial democracy.

Clearly the capital resources now under the direct control of labor are not large. The resources of all forms of labor banks aggregate $130,000,000, acquired since 1920 when the first labor bank was organized. Between June 30, 1919, and June 30, 1926, the resources of all banks increased $17,250,000,000. The capital, surplus and undivided profits of these banks alone increased $2,000,000,000. In the one year 1926 the National City Bank increased its resources $179,366,000—this increase being 40% larger than the combined resources of all labor banks.

But the emphasis of "trade-union capitalism" is not upon the capital resources now under direct labor control, but upon all labor's "enormous" capital resources. Nor is it simply a problem of limited aspirations—unions controlling their own funds, labor banks helping to finance unions and favorable employers, organiz-

[1] Spencer Miller, Jr., at the 1925 A. F. of L. convention. The speech was simply a paraphrase of Professor Carver's sociological fantasies.

ing labor's own insurance institutions, etc. All of these limited objectives might help labor, particularly if organized on a coöperative basis. (Labor banks and investment institutions are now, however, operating on a capitalistic basis.) But "trade-union capitalism" insists that it can transform capitalism and realize industrial democracy by mobilizing labor's capital resources. The issues then are:

1. What is the prevailing class distribution of capital resources, particularly labor's share?

2. Can labor increase its capital resources, *relatively* as against the non-wage-earners, until it becomes dominant, transforms capitalism and establishes industrial democracy?

The issue of relative increase of labor's capital resources is crucial, since an absolute increase in itself could never realize the larger aspirations of "trade-union capitalism."

Capital resources individually owned in 1925 amounted approximately to $321,000,000,000 consisting of the following: corporate stocks and bonds $82,500,000,000 (stocks $62,500,000,000 and bonds $20,000,000,000, less amount owned by corporations, institutions, etc.); real estate, $60,000,000,000 (exclusive of mortgages, real estate in dwellings occupied by the owners, agriculture, manufacturing, mining and public utilities); savings deposits, $23,000,000,000; urban homes occupied by owners, $25,000,000,000 (on the basis of rental value of $2,000,000,000 capitalized at 8%); American government bonds, $16,000,000,000 (exclusive of $16,000,000,000 owned by corporations, institutions and foreign investors); Building and Loan assets, $5,500,000,000; foreign securities, $9,000,000,000 (exclusive of $500,000,000 owned by banks and probably $1,000,000,000 owned by corporations and foreign investors); capital value of unincorporated business, $35,000,000,000; agricultural property, $45,000,000,000 (capital value of farms less total farm indebtedness owned mostly by banks and insurance companies); and probably $20,000,000,000 capital value of royalty claims, etc.

In 1925 incomes of $10,000 up received a property income (exclusive of government bonds, business and partnerships) of $6,400,000,000. Incomes of $3000 to $10,000 received a property income of $2,555,000,000, which probably becomes $3,000,000,000 by allowing for exemptions and underestimating. Capitalizing this property income on the basis of an average 5% yield we get

the following capital resources: Incomes of $3000 to $10,000, $60,000,000,000; incomes of $10,000 up, $128,000,000,000.

The income-tax reports give no clue to the distribution of rental value of urban homes occupied by the owners and of capital resources in unincorporated business. Since over 60% of all homes in the United States are rented (75% in the industrial districts) very few of these homes are owned by wage-earners, and we may assign them $2,000,000,000. The balance may be distributed $5,000,000,000 to non-wage-earners with incomes below $3000, $8,000,000,000 to incomes between $3000 and $10,000, and $10,000,000,000 to incomes over $10,000. Of the capital value of unincorporated business, we may assign $15,000,000,000 to non-wage-earner incomes below $3000, and $10,000,000,000 each to incomes between $3000 and $10,000 and incomes over $10,000.

In 1924 Federal, State and municipal tax-exempt bonds amounted to $32,000,000,000. Corporations (including banks and insurance companies) reported interest of $517,209,466 received from government bonds[1] representing ownership of approximately $12,750,000,000 of tax-exempt bonds. Non-taxable corporations and institutions owned $2,625,300,000.[2] Foreign investors probably owned $625,000,000. That leaves a balance of $16,000,000,000 owned by individual Americans. Incomes of $5000 up reported ownership of $5,218,560,000 of tax-exempt bonds;[3] but according to Treasury officials, the real amount is in excess of twice the amount reported[4]—say $11,000,000,000. That leaves $5,000,000,000 owned by incomes below $5000, constituting 98% of the gainfully occupied; which effectively shatters the belief that ours is "a nation of bondholders" because of the widespread distribution of government bonds. Of this $5,000,000,000 we may assign $2,000,000,000 to incomes between $3000 and $5000, another $2,000,000,000 to non-wage-earner incomes below $3000, and $500,000,000 each to the wage-earners and farmers.

Of the farmers' $45,000,000,000 of agricultural property (less indebtedness), operator-owners' net ownership (less value of rented land) was $32,500,000,000.[5] That may be increased to $35,000,000,000 by perhaps $2,500,000,000 of rented land owned

[1] *Statistics of Income, 1924*, p. 123.
[2] C. O. Hardy, *Tax-Exempt Securities*, p. 51.
[3] *Statistics of Income, 1924*, p. 12.
[4] *New York Times*, November 22, 1925.
[5] *Crops and Markets*, July, 1925, p. 236.

by the more prosperous farmers, the balance being owned by urban capitalists and retired farmers.

The final items are savings deposits and Building and Loan assets. We may assign $6,500,000,000 of savings deposits to wage-earners and $2,500,000,000 to farmers, and to the wage-earners $2,000,000,000 invested in Building and Loan Associations.[1]

Combining the various items, we get the following distribution of capital resources:

Wage-earners: savings deposits $6,500,000,000, stocks and bonds $1,500,000,000, homes $2,000,000,000, Building and Loan investments $2,000,000,000, and government bonds $500,000,000; total $12,500,000,000.

Farmers: farm property $35,000,000,000, savings deposits $2,500,000,000, stocks and bonds $1,500,000,000, and government bonds $500,000,000; total $39,500,000,000.

Incomes of $3000 to $10,000: ascertained from income-tax reports $60,000,000,000, plus unincorporated business $10,000,000,000, homes $8,000,000,000, and government bonds $3,000,000,000; total $81,000,000,000.

Incomes of $10,000: ascertained from income-tax reports $128,000,000,000, plus unincorporated business $10,000,000,000, homes $10,000,000,000, and government bonds $10,000,000,000; total $158,000,000,000.

The balance of $30,000,000,000, an exceptionally speculative estimate, was owned by non-wage-earner incomes below $3000, comprising shopkeepers, professionals, petty manufacturers, supervisory and managerial employees, etc.

In these assignments of capital resources to the various groups, there are unavoidable errors, the most probable being in the categories of wage-earners and non-wage-earners with incomes below $3,000; but these errors are minor, being "smoothed out" and becoming negligible in the final percentages.

The final distribution and percentages are:

[1] These assignments are arbitrary but roughly in accord with probable distribution. Wage-earners are clearly a minority in the Building and Loan Associations, which are essentially middle class. Analysis of depositors in a Philadelphia savings institution revealed under one-third as being wage-earners. An investigation by Bryn Mawr students among a group of women wage-earners whose weekly earnings ranged from $15 to $60, showed that only one-half had savings accounts, half of which were under $100 and only seven over $500. (*New York Times*, January 15, 1927.)

THE CLASS DISTRIBUTION OF CAPITAL RESOURCES (1925)

Class or Group	*Number Gainfully Occupied*	*Per cent of Gainfully Occupied*	*Capital Resources Owned*	*Per cent of Total Capital Resources*
Working Class	27,660,000	63.0	$12,500,000,000	4.0
Farmers	6,385,000	14.6	39,500,000,000	12.3
Non-wage-earners:				
Below $3000	7,033,850	16.0	30,000,000,000	9.3
$3000–$10,000	2,500,000	5.7	81,000,000,000	25.2
Over $10,000	321,150	.7	158,000,000,000	49.2
	43,900,000	100.0	$321,000,000,000	100.0

It must be emphasized that whatever the errors in these statistics, any changes in the absolute amounts would not materially alter the class percentages. Moreover, the capital resources of the larger incomes are probably underestimated. Much speculative property is non-productive, and would not appear in our compilation. Then there are individuals whose income conceals their real resources, because most of it is reinvested in personal corporations: thus Henry Ford, on the basis of his reportable income, would be worth about $300,000,000, while in fact he controls $1,000,000,000 of capital resources. Clearly the concentration of ownership of capital resources is overwhelming. The combined incomes of $3000 up, constituting only 6.4% of the gainfully occupied, own 75% of the nation's capital resources. Labor owns 4%—a small enough basis for the program of transforming capitalism by means of labor's capital resources. "Trade-union capitalism" often, directly or by implication, conceives the transforming program as combining the resources of labor and non-wage-earners with incomes below $3000; but even together these two groups own only 13.3% of the available capital resources.

"Trade-union capitalism" not only grossly overestimates labor's existing capital resources, it equally overestimates labor's share in the national savings. A labor-bank enthusiast insists that "the workers and farmers of this country could each year put into their own coöperative banks savings of at least $6,000,000,000." [1] This statement, repeatedly made by "trade-union capitalists," is preposterous: the total of new savings deposits in 1926

[1] Albert F. Coyle, "One of Labor's Greatest Hopes," in *Labor Age*, May, 1926, p. 3.

was $1,500,000,000. But what was probably meant is that $6,000,000,000 represents the workers' and farmers' share in the national savings. This is equally preposterous. The basis of the claim was the estimate some years ago that the national savings amounted to $12,000,000,000 yearly; the enthusiasts thereupon naïvely concluded that, since employees received 55% of the national income, labor's share of the national savings must be one-half, or $6,000,000,000. But labor's share of the current national income was (1925) 38%, and averages below 35% of current national income plus inventory income. Out of this share, considering the wage-earner's average income of $1150, labor can not save a very large amount; and its capital accumulation out of savings, consequently, is bound to be comparatively insignificant.

The assumption of "trade-union capitalism" that capital accumulation arises out of individual savings [1] is only a partial truth. There are three separate sources of capital accumulation:

1. Individual savings. That part of individual income which is not consumed but invested becomes a source of capital accumulation. Obviously the larger non-labor incomes account for most of the accumulation out of individual savings.

2. Business savings. Business enterprises do not normally distribute all their earnings, but retain a share in the business. After the payment of taxes, interest and dividends, corporations retain a surplus for reinvestment. This corporate surplus between 1910 and 1916 was equal to an average of 3.8% of the national income.[2] In 1924 corporate surplus amounted to $1,475,000,000,[3] unequal to 1.8% of the national income. This reinvestment of a share of corporate profits expresses itself ultimately in stock dividends and increased market valuation of securities, constituting a source of capital resources independent of individual savings. An investment in 1837 of $5000 in diversified common stocks would, by 1923, have yielded at least $65,640 in dividends and possess a market value of $37,000.[4] Between 1912 and 1926 Standard Oil capitalization increased by $1,750,000,000, of which almost $1,500,000,000 represented stock dividends (in addition to cash dividends

[1] Warren S. Stone said: "The saving power of the American workingmen is so great . . . that in ten years they could be one of the dominating financial powers of the world."

[2] National Bureau of Economic Research, *Income in the United States*, p. 34.

[3] That is, net profits, less dividends. (*Statistics of Income, 1924*, pp. 16, 123.) In addition, $3,186,833,000 went for depreciation, amortization and depletion.

[4] *Common Stocks as Long Term Investments*, by Edgar L. Smith, p. 72.

of $1,827,000,000). When the United States Steel Corporation was organized in 1902 the preferred stock ($360,000,000) represented, according to Carnegie, water, and the common stock ($508,000,000) air; a capitalization of $1,300,000,000 (including bonds) was imposed upon tangible assets which, according to government experts, were worth not more than $650,000,000. Yet in 1927 United States Steel assets were in excess of $2,450,000,000, and the common and preferred stock had a market value of $1,365,000,000 after the 40% stock dividend equivalent to $250,000,000 was declared. Between 1913 and 1925 the capital stock of all corporations increased $22,000,000,000, of which probably $10,000,000,000 represented new capital investment, the balance being stock dividends (in addition to $32,000,000,000 cash dividends). The increase in market value, of course, was much larger.

3. Increased property values. This constitutes capital accumulation independently of any capital investment whatever, independently of either individual or business savings. Property being a claim upon production and the national income, its value increases as population, production and the national income increase. Real property (particularly land values which represent an average of 60% of real-estate values) increased enormously between 1913 and 1926, part representing an adjustment to higher price levels and part being simply a tribute levied upon increasing social needs. In 1925 the market value of all securities increased by $7,000,000,000; while in 1926 the market value of the securities of twenty industrial corporations alone increased $1,000,000,000. Part of this was an expression of reinvested profits, but another part represented simply the capitalization of the increased productivity of labor, larger earnings and larger profits, and increasing social needs.

The proportion in which these three sources contribute to new capital accumulation varies considerably from year to year, but normally and on the average individual savings are responsible for only about 50% of new capital accumulation. Moreover, capital resources may increase while there is a deficit in the national savings. In 1918 the national savings were minus $1,844,000,000,[1] yet there was a large increase in capital resources, repre-

[1] Willford I. King, "The Net Volume of Savings in the United States," in the *Journal of the American Statistical Association*, December, 1922, p. 46. On the basis of developments in Denmark, Prof. L. V. Birck concludes: "Those millions (of new capital resources) were not a result of savings and abstinence, but only of capitaliza-

sented principally by $4,900,000,000 of "business savings" and issues of government bonds. Capital and ownership are claims upon income, and these claims multiply independently of individual savings or real increase in the national wealth.

What, then, is labor's share in new capital accumulation? In 1926 the probable share was:

LABOR'S PARTICIPATION IN NEW CAPITAL ACCUMULATION (1926)

Form of Accumulation	*Amount*	*Labor Share*
Corporate Securities	$3,690,000,000	$100,000,000
Building Construction	6,800,000,000	100,000,000
Savings Deposits	1,500,000,000	400,000,000
Life Insurance Premiums	2,200,000,000	450,000,000
Building and Loan Associations	770,000,000	300,000,000
Agriculture	1,750,000,000	Nil
State and Municipal Bonds	1,360,000,000	Nil
Foreign Securities	1,350,000,000	Nil
Inventory Gains	10,000,000,000	50,000,000
Total (net)	$20,000,000,000	$1,400,000,000

The net total is secured allowing for overlapping in the forms of individual savings, making them $14,000,000,000, and by deducting $4,000,000,000 from "inventory gains" to allow for capital losses. Securities exclude refunding issues and real-estate bonds, the latter appearing under "building construction." "Inventory gains" includes (net) the probable value of stock dividends, corporate surplus and other business savings, and the increase in the value of securities and other property independent of any reinvestment or individual accumulation of capital.

While labor's share in individual savings is 10%, its share in all new capital accumulation is only 7%. (The fluctuations from year to year are probably not more than two or three points either way.) Thus labor's share is not only limited by its unequal participation in the national income, it is still further limited by "inventory gains" which represent capital accumulation independently of individual savings. Moreover, labor's 4% ownership of capital resources is lower than its 7% participation in new capital accumulation, since labor's savings are notoriously unstable owing to unemployment, illness, and death.

tion. . . . Technical progress made production cheaper (between 1897 and 1914) and this cheapening of the processes did not reduce prices—as was the case in the last thirty years of the 19th century; the gain in the present century has been absorbed in the process of capitalization. Thus the *private capital*, which is really only a right to income without effort, a multiple of a free income, has been increased without the *real* and social capital being proportionally augmented by saving." (*Economic Journal*, March, 1927, p. 26.)

The assumption of "trade-union capitalism" that capital resources develop out of savings alone revives the old theory that capital is "the wages of abstinence." But whose abstinence? The owners of capital do not materially abstain from the comforts and pleasures of life; the larger the abstinence the smaller is the ownership of capital. It is an abstinence imposed upon the masses of the people, property being the mechanism by which the fruits of this abstinence are appropriated by a comparatively small class. The accumulation of capital, whether in the form of investment out of the surplus of large incomes or of "inventory gains," is a social product the appropriation and ownership of which are individual.

The concentration of capital is overwhelming, and labor is not scoring any relative gains in the acquisition of capital resources. Non-labor capital resources amount to $310,000,000,000, and are increasing by probably $20,000,000,000 yearly; and "trade-union capitalism" proposes to acquire a dominating share in ownership by means of labor's 4% ownership ($12,500,000,000) and its 7% participation ($1,400,000,000) in new capital accumulation. Faith may be strong but probability falters. Labor investment institutions may concentrate and mobilize all of labor's capital resources, create another "vested interest," but "trade-union capitalism" can never become more than a twenty-fifth junior partner of the oligarchy of capital.

4. Conclusion

In recapitulation:

1. The "revolution" in the distribution of income and wealth is a myth. There has been practically no decline in the concentration of wealth; and only a temporary decline in the concentration of income, which is now almost as large as the largest pre-war concentration. There has been a slight redistribution of income, but it is expressed in a decline in the wage-earners' and farmers' share of the national income, and an increase in the share of non-wage-earners with incomes below $10,000, the middle class.

2. Corporate ownership is not being democratized, either by the multiplication of stockholders or by employee stock ownership. While there is a slight increase in wage-earners' stockholdings, that is an absolute and not a relative gain. The slight shift in

the distribution of corporate ownership is in favor of the middle class.

3. Labor's capital resources are comparatively trifling, and there are no indications of any relative gains; nor can labor score any relative gains out of its 7% participation in new capital accumulation.

Where, then, is the "economic revolution"? The fundamentals of capitalism are: private ownership of the means of production and distribution, production for profit and not for use, the concentration of capital ownership, and the unequal distribution of income. Not the slightest change in these fundamentals is apparent: capitalism is still capitalism.

But there is another "revolution," which started thirty-five years ago and is now coming to fulfillment: the transformation of competitive capitalism into monopoly, and of monopolistic capitalism into imperialism. Free competition and small-scale industry were definitely conquered in the United States between 1900 and 1914, a conquest emphasized by the new series of consolidations organized since 1920. Capitalism is now characterized by the massing of enormous aggregations of capital. But there is no longer a struggle against monopoly. What remains of competitive small-scale industry has been bludgeoned into submission, while the middle class comes more and more to consist of well-paid employees depending upon monopolistic enterprises and to develop a stock-and-bond aristocracy of its own, abandoning its "liberal" traditions. The enormous masses of capital invested in corporations, accompanied by the multiplication of stockholders, has divorced ownership from management and concentrated control in practically self-perpetuating managements and their financial overlords. Managements, by means of interlocking stockholders and directors, merge in each other: probably not more than 250,000 individuals wield the decisive control over American industry and finance. The final concentration of control is in the great banks and investment houses, finance capital exercising an ultimate and very real dictatorship.

The creed of this monopolistic capitalism is production and still more production, but it hampers the development of a mass purchasing power capable of consuming the goods produced. Consequently, "we are equipped to turn out somewhere from 10% to 60% more of every commodity than our domestic market is able

to absorb continuously." [1] This, in spite of the fact that the mass of our people are still deprived of decent living conditions. Instead of developing means of distributing this production among the people, monopolistic capitalism limits production or develops foreign markets and the payment of export goods in the form of foreign securities. There is general agreement that only foreign markets can absorb our "excess" production. Monopolistic capitalism becomes imperialistic.

The "new capitalism," accordingly, reveals itself as, economically, the dictatorship of monopoly, finance capital and imperialism; and, ideologically, as buttressing its supremacy and erecting defenses against labor revolts by means of employee stock ownership, welfare practices and other measures which, masked as "industrial democracy," are simply forms of struggle against labor.

But "trade-union capitalism" equally accepts the creed of production and still more production. Under capitalism, however, more production may prove disastrous: it is now developing an aggressive American imperialism instead of continuously improving our own conditions. Moreover, labor received, is receiving and will continue to receive a very small share of increased productivity. Of the increased productivity during the past thirty-five years, perhaps 20% may have gone to labor; the balance has gone into larger profits, increased concentration of income and wealth, the staggering wastes of distribution, advertising, financing and speculation. The multiplication of productive energy, which could provide universal well-being, becomes a multiplication of useless goods and labor, useless professions and useless leisure-class idlers. Increased production, under a system where the production of useful goods is a by-product of the production of profits, only incidentally benefits labor and multiplies the social burdens on production and on labor.

Truly, the transformation of capitalism is interwoven with the distribution of income, corporate ownership and capital resources. But these are not things apart, they are products of the whole economic and social system, of the forms, means and purposes of production, of property and government, of class relations and class power. Only a change in these fundamentals can transform capitalism.

LEWIS COREY.

[1] *The Annalist*, April 29, 1927, p. 609.

CHAPTER IV

THE POST-WAR SOCIAL MIND

The Arts, Liberalism, and Labor

The artist is a social animal and as such his special task is to make tentative syntheses of human values. Inevitably his desires and aspirations, offered as archetypes of human possibility, are in advance of the social environment. Hence the recurrent alliance of the artist with the forces which seek to change this environment.

Unquestionably, in our western civilization, the chief of these forces is what is loosely denominated the radical movement, the movement which derives its compression and energy from the revolt of the submerged classes—the labor movement, if for purposes of discussion one may use the phrase in its most general significance.

This study attempts to examine cursorily the present status of this alliance; to show the changing coloration which the work of a few representative poets, playwrights, and novelists has received from the labor movement as a force in the social environment before and after the war; also to isolate a few significant contemporary phenomena which illustrate the changed mood of the country —a mood which the artists are bound to reflect in one way or another. Since such a survey must be concerned chiefly with states of feeling only loosely documented in literature, the writer must ask indulgence for a method necessarily impressionistic and even for a considerable percentage of error. American literature is perhaps weakest in the department of criticism. The books that some day will deal adequately with this subject have not yet been written. Hence in this volume, the purpose of which is a periodical orientation of labor in the pattern of the evolving social fabric, one must be content to offer an outline avowedly tentative. It will achieve its purpose sufficiently if it comes close enough to the facts to provoke discussion and correction.

1. The Ebb-Tide of Liberalism

Back in the early years of the war, while the Zeppelins circled in the sky above his pleasant country retreat, the indomitable Mr. H. G. Wells embarked upon a new research magnificent, which

issued as usual in a book. The book was entitled *God, the Invisible King*. In it Mr. Wells announced that he had discovered the deity and that He was, unquestionably, a good liberal. In England it was perhaps a little easier to hold this point of view than in America. In 1917, having passed the draft law and no nonsense about it, the government suppressed the *Masses*, effectively discouraged the *Seven Arts*, threw the conscientious objectors in jail, and gave the A. F. of L. its chance to be good or take the consequences. Mr. Gompers took the chance—and the consequences. Speaking broadly, the American labor movement is still writhing in the net of those consequences. American liberals for the most part took the same chance, which entailed similar consequences. Briefly, reality became a little too strenuous for either official labor or official liberalism. Both collapsed, not exactly with a bang, but with a gush of rationalization, into a terrestrial ether throbbing with the reverberations of a disaster altogether incommensurate with the then existing *lib-lab* (liberal-labor) ideology.

Meanwhile interesting things were happening in the domain of pure science. Einstein burst upon the world with the theory of relativity, embodied in a mathematical treatise in which God was not even mentioned. Einstein, be it noted, is both a good liberal and a fine and courageous humanist. But it is Einstein the scientist, author of the revolutionary theory of relativity, who best symbolizes the new world of thinking and feeling into which the post-war civilization of Europe and America has emerged.

2. What Happened to the Artists

Although God may be King, He is still invisible, and there is more Einstein than God in the post-war literature of America. The change, of course, is for the better. If the present disillusionment of American writers is a preliminary to a new attack upon reality, the collapse of our rather muddle-headed and flatulent American liberalism will prove a solid gain. So far this attack has only begun to manifest itself. But it will come. Either an artist must function actively in relation to his time, or he must serve a somewhat artificial æsthetic deracinated from time and place. And ivory towers are unsatisfactory as permanent abiding-places for most artists, in America especially. Suppose that, being young, one elects the priesthood of art, and disdaining the world, builds for oneself a fair tower rising high above the smoke and

clamor of our vigorously proliferating industrial civilization. Can one be sure that the pious villagers (Mr. Mencken's yokelry) will come bearing bread and a little jam for one's material sustenance? One cannot be at all sure. In fact, from a purely practical point of view it is much safer to descend to the plain and hurl something at the mob, whether it be bouquets or curses. Mr. Mencken and Mr. Sinclair Lewis have chosen to hurl curses, and both pay fairly heavy income taxes, although as capitalists, they do not rank with Mr. Edward Guest.

Of course, it is not without significance that the American writers who attained prominence just before and during the war years are now for the most part in their forties. The sensorium dulls with age. One becomes immunized against the impact of the real. One puts aside the ax and spade of satire—the jungle of folly and ignorance is too huge. It is easier to play with dreams than with reality, and perhaps the artists who survived the shock of the war have earned a little ease. War—the war to make the world safe for the human spirit—is a game for youth. Must the accolade of one's artistic election bring always not peace but a sword?

No adverse criticism of contemporary artists is here implied. One's will is after all a function of one's physiology. And it should be added that not all the forty-year-old creative minds in American letters have gone the way of all tired radicals. Some of them are as young as Bernard Shaw in England and Leon Trotsky in Russia —the Trotsky who, proclaiming the perfectibility of human society, wrote, in *Literature and Revolution*: "Fate is the limitation and immobility of technical means, the voice of the blood, of sickness, of death, of all that limits man and does not allow him to become 'arrogant.'" Here, in a sentence, is the essence of revolutionary Russia's gift to the world. Skeptics will smile and say, "A new illusion!" Even so. At least the faith of the Soviet leaders has qualities of realism, energy, and intellect vastly superior to the romantic illusion of our own pre-war liberals. It will perhaps be useful to anatomize as decorously as may be the frail body of that illusion, which is revealed in all its touching nudity in the pages of *The Masses* from 1912 to 1917.

3. May Days Before the War

It is very easy to idealize the good old days before the war. As a matter of fact, they were very young days, and they had the

defects as well as the qualities of youth. At this distance both the thinking and the writing of those years seems for the most part curiously flimsy. Tired radicals who moan that the war smashed everything tend to forget this. Instead of nourishing a Swiftian post-war philosophy on large mouthfuls of Aldous Huxley's *Antic Hay*, they might well be encouraged to read the files of the old *Masses* and discover just what it was that was smashed. It was nothing very substantial. It was a beautiful pink cloud, headed for Utopia under its own power, on which a little group of interesting youths and maidens were seated very prettily. The period has been well described in Genevieve Taggard's introduction to *May Days*, an anthology of *Masses* and *Liberator* verse. As Miss Taggard points out, the magazine was edited for the bourgeois liberal. Most of it was also written by bourgeois liberals; for example, Gellett Burgess, William English Walling, Margaret Widdemer, Amy Lowell, Louis Untermeyer. Why not? It was so easy to sympathize with labor in those days. In fact it was the conventionally unconventional thing to do. Describing the same period, Frederick C. Howe, in *The Confessions of a Reformer*, writes: "It was good form to be a liberal. It involved no sacrifices. Indeed, it gave distinction."

These people believed in their class. They did not concede the principle of economic determinism as applied to ethics. They believed their class needed only to be shown the evils of capitalism and it would reform them, this in spite of all the pounding of the *Masses* editors, especially Max Eastman. They could not see then what Mr. Howe himself saw only later when, writing from the vantage point of the Versailles peace conference, he declared: "The world is ruled by an exploiting class that rules in the interest of the things it owns. Tories and Liberals, landlords and capitalists, all look upon the political state as does the spoilsman. It is a thing to give them private gain."

When a man has got this far, he ceases to be a liberal. He is through with trying to save the world by persuasion. He can become either a cynical philosopher, or, if he chooses to transfer his faith and his loyalty to the submerged classes, a revolutionary laborite.

This is the choice with which American liberals, including the poets and playwrights and novelists, were faced after the war. If Woodrow Wilson did nothing else for us, he at least achieved

the supreme representation, on the international stage, of America's spiritual and intellectual adolescence. There at the Versailles peace conference the ewe lamb of our easy-going idealism was delivered over to the slaughter of the Tiger's curt phrases. And before the homeward voyage of the *George Washington* brought Mr. Clemenceau's "Tin Jesus" again in sight of the Statue of Liberty, America was through with all that—through with world-saving, through with the uplift, through with Wilson.

The Woodrovian haze faded overnight. A new landscape emerged—stark and unlovely and bitterly real. On Broadway a vaudevillian coined a phrase. Democracy, the war to end war, the Fourteen Points—all that was "apple sauce." In the confusion of the war years most of the masks which Americans wear in deference to our libertarian and Puritan traditions had slipped awry, and now nobody bothered to set them straight. What was the use? The flowers the girls had flung at the departing soldiers had long since faded, the bands had stopped playing; it was time to get back to business. And business was good. America—the business men at least—had made money during the war, and they were keen to make more. The professional militarists had had a taste of power, and they were determined to dig themselves in. Already we were hearing of "the next war." The A. F. of L. leaders had made excellent capital out of their patriotism, and now that Germany was beaten, there was perhaps something to be got by saving America from Bolshevism. The boys and girls of the post-war generation no longer talked daringly about sex as they had done in the columns of the *Masses*. Instead, they climbed into papa's limousine, bought with war profits, and devoted themselves to frank and not altogether unintelligent experimentation.

A new world. A world made safe for almost anything except the tosh of liberty, fraternity, equality, morality, internationalism. A world in which volumes of patriotic verse sold for twenty-five cents on the drug-store counters—and volumes of pre-war social passion sold for a dime.

4. Throw Overboard the Life Line

Even before America got into the war, Professor Charles A. Beard had had the temerity to write a book in which he suggested that perhaps the democratic ideals of the Founding Fathers were

little more than a convenient demagogic fiction. In any case, these ideals had long since ceased to function as a vital part of the evolving social organism. They were a sort of vermiform appendix. Is it possible that at the moment when the pre-war liberals felt themselves most potent and most forward-looking, they were really giving to the world little more than the symptoms of a chronic ideological infection?

At any rate, the war, and especially the peace, performed a major operation on all those ideals which were not strictly utile in business as usual. Mr. Clemenceau's "Old Presbyterian" administered the ether that was necessary to get the patient on the operating table. But when America woke up, the appendix was gone. It recovered after a fashion. In fact, although we have had numerous manifestations of post-operative shock, there is steadily increasing evidence that in some respects the people who think and write in America are disposed to grapple with reality very much more honestly and powerfully than ever before. The young people and some of the old people discovered that life itself is a sufficient justification for life; that the world, the flesh, and the devil are the materials out of which one inevitably hews one's personal conquest; that anthropomorphic deities and outworn secular ideals are good baggage to throw overboard, if, in selfishly serving one's will to power, one desires to construct or at least to envisage a social order that will in some degree correspond with the order of one's mind.

5. De-bunking Instead of Muckraking

The magazines started since the war play an important part in this new orientation. Muckraking, if one excepts the altogether exceptional Mr. Upton Sinclair, has neither authors nor audiences. As has already been pointed out in the case of Frederick C. Howe, our middle-class liberals no longer believe in the transcendent morality of their class, or in the efficacy of persuasion as a means of controlling economic forces. Besides, the muckrakers, from the standpoint of the capitalist system, had got out of hand. They had uncovered too many embarrassing facts, and they had assembled an audience for the facts. So the dominant group in industry and banking, always supremely realistic, did the logical thing in the circumstances. "If you can't beat 'em, join 'em." The muckrakers were too strong to beat with a pseudo-intellectual

conservative sheet like the *Review*, which few people even remember. So the bankers and industrialists joined them, through the side entrance of the business office. The success of this maneuver is too well known to need rehearsing here. *The American Magazine* triumphantly restored all the old assumptions concerning the essential rightness of the profit system and the supreme morality of success. Mr. Ray Stannard Baker succeeded in losing his earlier identity along with his own name, and, as David Grayson, capitalized contentment as successfully as a Carnation cow. Mr. Lincoln Steffens became both more philosophical and more literary.

The only people who got thoroughly muckraked after the war were the political liberals. Mr. Albert Jay Nock and the *Freeman* attended to that, thereby delighting the disillusioned intellectuals of two continents. Of course Mr. Nock clung steadfastly to the old-time religion of the single tax. With equal steadfastness he disdained to consider ways and means of bringing the single-tax millennium to birth. Being well subsidized from the spoils of the industry which Mr. Sinclair had made his reputation by muckraking, the *Freeman* was able to give an expensive party to a select list of some six thousand American and British intellectuals. It lasted four years, and it was on the whole a most enjoyable party, if a little snobbish. But, although it espoused economics as opposed to politics, no economic class had anything to gain by keeping it alive. So that when the funds were exhausted, it died—obviously of too much intelligence.

The *American Mercury*, started shortly after the *Freeman* suspended publication, is something else again. It was a conservative financial gamble from the start. This was no untried field. Mr. Mencken had spied out the land with the *Smart Set*. And there was the well-established success of *Vanity Fair*.

In its early phases the snobbism of wealth had soothed its nervous sense of inferiority by endowing art museums and scientific institutes. But the war had created more wealth and many more social and intellectual parvenus. There is now a considerable class of people who are quite willing to spend fifty cents a month for a magazine that will make them think themselves smart. Mr. Mencken has proved it.

The goat, of course, is the American moron, in whom Mr. Mencken has acquired a vested interest. Also Mr. Mencken is politically a conservative, which helps a good deal and procures

indulgence for his resolute espousal of free speech, free living, and the humanities in general. Much, too, can be forgiven a man who is as uproariously funny as Mr. Mencken usually is. When the village bad boy wants to exercise his wit at the expense of the village idiot there is always a circle of haw-hawing yokels to encourage the game. Of course, if the Binet tests were rigidly applied, perhaps some of the laughers wouldn't rate so very high. Fortunately there is no Binet censorship on the subscription lists of the *American Mercury*. Any idiot with half a dollar to spare can buy it, and many do. They read such portions of it as they can understand, and are released into a gorgeous daydream in which they imagine themselves as bright as Bernard Shaw.

This, of course, is not altogether fair. One readily grants that, to use one of Mr. Mencken's favorite expressions, the *American Mercury* is at least civilized, and that its net value is considerable.

One may perhaps be forgiven if one is a little more dubious concerning the *New Yorker*, the latest aspirant to the favor of our post-war intelligentsia. The *New Yorker* is to the *American Mercury* what the *Daily Graphic* is to the *New York American*.

As for the *Dial*, it has so thoroughly upstaged everybody except a closed corporation of impassioned æsthetes that one takes its name in vain, if at all. Being itself beyond good and evil, it can afford to admit that there is something rotten in Denmark and elsewhere; indeed it derives a good deal of refined æsthetic pleasure from contemplating this fact. Its battles are won and lost in a social vacuum inhabited by pure spirits, some of whom need translation far more than the *Dial's* French and German contributors.

At the other end of the scale is the *New Masses* which assembles under one editorial masthead writers and artists who represent widely differing points of view—who are in fact united rather by what they reject than by what they accept. This situation is more or less inevitable, since the revolutionary culture for which the magazine stands is more postulated than actual. In its politics the *New Masses* derives its inspiration from Russia, without so far, however, attempting to make indigenous on American soil the Leninist realism which has proved the salvation of the Russian communists. It is interesting that the Russians themselves have been among the first to note this lack. It is due in some measure of course to the fact that to offer the firm substance of a factual and analytic journalism requires more time and money than the

magazine has so far had at its disposal. The traditional American radical journalism of emotional protest is much easier, but it does not match the contemporary mood either of America or of the revolutionary movement abroad. On its literary and artistic side the *New Masses* has in the first year of its existence printed a good deal of sound fiction, poetry, and criticism and has provided a much-needed outlet for some of the best cartoonists in America. Journalistically, it has not yet provided either a program or even a point of view. This implies a criticism not so much of its editors as of the fundamental impossibility of reconciling the necessarily detached point of view of the artist with the bias, the faith, of the social and political propagandist. The latter can properly demand of the artist that he take cognizance of the political and social phenomena of his time, and the *New Masses* rightly and very serviceably, to my mind, denounces the cheerfulness with which many of the younger writers absolve themselves from the necessity of thinking and feeling in social terms. As some one, probably Bernard Shaw, has remarked, their chief contribution to thought is the brilliant idea that they don't have to think—or to function in relation to a tangible present environment. Entrenched in the pages of their Thesauruses, they look out upon the world with a smile which is always a little tired and frequently a little fatuous. On the other hand, the propagandist is stupid when he attempts to tell the artist what to think, or to base a critical judgment on his loyalty or disloyalty to some necessarily limited and imperfect political creed.

6. The Poets Retreat to the Sonnet

In tracing the declining curve of labor as a literary "influence," it is interesting to examine in chronological sequence the work of certain writers who were producing before and during the war years and who are now in most cases doing work of quite different character. Of the writers for the old *Masses*, it may well be alleged that Gellett Burgess and Margaret Widdemer were never more than sentimentalists. It is worth noting, however, that they are no longer sentimental on the subject of labor. Mr. Louis Untermeyer continues to be a good liberal. But the social passion of his first volume, *Challenge*, has faded in his later work.

In *Challenge* he manfully castigates the sins of capitalism and hails the new world of socialism. In *The New Adam* he celebrated

the flesh and the devil. In 1914 the dreamy-eyed young ladies from Dubuque thought *Challenge* was thrilling. In 1920 their bobbed and blasé younger sisters thought *The New Adam* was hot stuff. It was, as a matter of fact, much better poetry.

An even better example is Lola Ridge, a poet of genuine originality and distinction. Her first volume, *The Ghetto*, was published in 1918. It contains a section entitled "Labor," from which the following dedicatory stanza is quoted:

> I would be a torch unto your hand,
> A lamp upon your forehead, Labor,
> In the wild darkness before the Dawn
> That I shall never see. . . .

That is scarcely the mood in which poets are now writing. Miss Ridge has recently contributed dithyrambic stanzas about the Russian revolution to the *New Masses*. But much of her recent work is concerned with states of personal feeling and is cast in the conventional rhymed forms.

In Sandburg's later work, the highly sensitized consciousness of industrial America, which was perhaps his chief contribution to American poetry, is less and less apparent. Labor is rarely the motif of a poem. Instead we see Sandburg the mystical roughneck, delighting himself with subjective fantasies; Sandburg the decorative craftsman, playing with new rhythms; Sandburg the proletarian æsthete, writing tributes to Adelaide Crapsey and Emily Dickinson; Sandburg the industrious compiler of highly emotionalized Lincolniana.

Arturo Giovannitti and Lola Ridge are perhaps the most genuinely inspired of the "labor" poets; for both of them the class struggle is, or was, the central reality of life. But Giovannitti is an Italian who acquired his revolutionary point of view in Europe, before he had acquired the English language. And Miss Ridge is an Australian; she too derives from an older and more strenuous tradition of class conflict. So far, in America we have no tradition and no school of radical letters. We have only our tradition of literary liberalism, and Louis Untermeyer, Witter Bynner, and even Margaret Widdemer are perhaps as much its poets as anybody else.

Most of the better post-war poetry abstains severely from the facile enthusiasms which characterized the poetic expression of the Wilsonian era; there is also an increasing disposition to employ

the tighter molds of formal verse. Free verse is not dead, as one exponent of the classical forms recently proclaimed; but it is not popular any more than social passion is popular.

Indeed, emotion of any kind is taboo. The sonnet dealing with highly intellectualized states of personal feeling is probably the most characteristic verse production of the present period. Its most representative poets are Edna St. Vincent Millay and Elinor Wylie. Both these poets employ the tight-rhymed forms. Both are "pure" poets, at least in the sense that they are devoid of social enthusiasms and concern themselves almost exclusively with personal attitudes and emotions. This is almost equally true of John Crowe Ransome, Allen Tate, Hart Crane, Mark Van Doren, Genevieve Taggard, Babette Deutsch, Louise Bogan, and a half dozen others that might be named. The Woodrovian epoch spawned poets of revolution, poets of reform, poets of philanthropy. The post-war era yields chiefly misanthropic supermen and superwomen who build their emotional universes alone and apart. To this must be added, of course, the work of T. S. Eliot, who combines misanthropy with preciosity, and whose name suggests a whole school of lesser writers.

On the whole, the new attitude has produced better poetry, more precise language, and better thinking. Except for Sandburg, Frost, and Robinson, the poetry of the Woodrovian era was worse than anybody will believe who does not take the trouble to wade through the early files of *Poetry*. It is worth noting, incidentally, that although Frost and Robinson had written some of their best work during the decade of lush liberalism which preceded 1914, it was not until somewhat later that contemporary critical opinion accorded them their just measure of importance. Both were beyond and above the ephemeral movements of the crowd mind, of which the lesser poets, including Sandburg, left so many journalistic records. Both were essentially disillusioned and, of course, highly individualistic. The sharpened realism, the franker individualism, of the post-war mind was much better fitted to understand and appreciate them.

Probably the most important American poet who has come to maturity since the war is Robinson Jeffers. He is fully as disillusioned as either Robinson or Frost. For ten years he has not felt it necessary to leave the village of Carmel on the Pacific Coast. His emotional and intellectual detachment from the class struggle

in society and from crowd "movements" in the arts is complete. If he knows or cares anything about such things, they at least do not appear in his work, save as ephemera caught in the flow of geologic times and dispassionately examined by means of the reversed telescope through which Mr. Jeffers looks at human life. Mr. Jeffers' father, one gathers, was a Christian. He himself was once threatened with being a physician. His brother is an astronomer. The sequence of development through the generations is apparent. Mr. Jeffers, being a poet of genuine power, naturally desired to live spiritually in the largest available universe—the universe of Einstein, that is to say, rather than the universe of the Christian God. The most significant fact of our time is the fact of science, and of this fact Mr. Jeffers shows himself keenly aware. Compared to the jerry-built fabrications of liberal sentiment which flooded the magazines before the war, Mr. Jeffers' verse, "free" though it is, seems made out of toughened steel.

Great poetry gives us the phenomena of time viewed through the lens of eternity; sometimes one could wish that Mr. Jeffers were more conscious of the phenomena and less conscious of the lens. The procession of the stars is no more important and no more absolute in beauty than the procession of the peasants who came to kneel at the bier of Nicolai Lenin. But perhaps this realization belongs to a later phase in the development of Mr. Jeffers and others of his contemporaries.

7. The Novelists—Three Representative Anarchists

The important thing to note about the chief contemporary writers who use the novel form is that they are no longer sectional. The process of industrial and economic integration and consolidation which manifests itself in bread trusts, standardized gasoline filling stations, and public utility holding corporations, has produced its parallel in the field of letters. America is rapidly becoming a cultural as well as an economic entity. It no longer makes very much difference whether a writer was born in Paris, Maine; Troy, New York; St. Louis, Missouri, or San Francisco, California—he is pricked and coerced by the same American realities. Our leading novelists no longer devote themselves to exploiting "local color"; instead they make tentative patterns for the culture as a whole. And for the most part, their mood is one of protest and rebellion.

Most of them consciously or unconsciously stem from Whitman, who was obliged to wait fifty years for anybody to take up the task of the American Answerer which he arrogated to himself with pioneer audacity. Especially is this true of Sherwood Anderson, whose early *Mid-American Chants* show unmistakably the influence of Whitman, both in form and in content. Mr. Anderson has spent twenty years in writing and rewriting the same novel of protest and escape. His challenge is twofold: against the standardizing processes of industrialization, which sterilize the creative potency of the workman, and against the standardized mores of society which deny the realities in the fundamental relationships of men and women. The two protests become mystically one as Anderson continues to grope, often blindly, and sometimes with penetrating intuition, in the great American jungle of our spiritual frustrations.

Mr. Anderson doesn't see any way out. Clear intellectual vision is not a part of his equipment, and this lack frequently betrays him at the very moment when his powerfully active intuitions have brought him seemingly to the verge of revelation. Labor, in the sense of a creative relationship between man and his materials, is the eternal protagonist of his spiritual dramas. Labor as a class scarcely figures at all, save perhaps in *Marching Men.* In this curious novel Mr. Anderson's latter-day industrial protestants do squads-right in the back lots of Chicago until, in the mind of the author and to a considerable extent in the mind of the reader, the demonstration becomes obscurely portentous. And there it ends. They march, and that is all. Their big parade is a mystical, anarchic protest, with as little social relevancy as the rolling of Holy Rollers. The early Christians did the same thing in the streets of Rome during the reign of Nero, and for the same reason; the Pax Romana gave them no peace; the Empire was too big for them to swallow.

Mr. Sinclair Lewis doesn't see any way out, either. The one thing he is sure about is that the Rotarians and Kiwanians of the hinterland are a lot of imbecile barbarians. In this dictum the more self-conscious Rotarians and Kiwanians, of whom Mr. Lewis is perhaps one, agree with pharisaical unction. The mood of middle-class America is nothing if not emulative, and your American parvenu is a terribly unsure person. A mere waving of the banner of sophistication is enough to bully him away from his

flesh-pots and send him scampering to the book store for a copy of *Main Street* or *Babbitt.*

Incidentally, the Rotarians and Kiwanians get a good deal of comfort from the corollary of Mr. Lewis' thesis, in which he preaches the glad tidings that the hobohemians and pseudo-sophisticates are also a lot of imbecile barbarians. Mr. Lewis has always been sure of this. One wishes that he were a little more sure of a few other things—himself, for example. A kind of spiritual homelessness betrays itself in all his books. Sometimes one seems to see the author peering wistfully through the stained-glass windows of English cathedrals; again he knocks humbly at the doors of laboratories where reign the austerities of science. Somewhere there must be a sanctuary of the mind where he can take his stand *sans peur et sans reproche.* He would like so much to be intellectually respectable and self-respecting. For some reason he is not content to be both respectable and considerable as an artist, which he undoubtedly is. *Babbitt* is a much better book than *Main Street,* and *Arrowsmith* is in some respects a better book than *Babbitt.* In *Elmer Gantry* he stuffs the dummy of evangelical Christianity with more, probably, than its actual content of vulgar charlatanism, and then tears it to pieces with unnecessary savagery. If, in later books, Mr. Lewis becomes as sure of himself as he is of his social documents, if the curious animus with which he rejects his negatives is modified in the direction of a more subtle art and a more profound philosophy, he will give us first-rate work—and probably lose most of his Rotarian readers.

It is perhaps a tribute to the disinterested fidelity with which Theodore Dreiser has wielded his ponderous steam shovel on the muck and slag of American life, that he has remained an unpopular novelist. His supreme qualities are that he cannot tell a lie and that the current shibboleths, social and artistic, have no intercourse with his peasant-like realism. A further quality which perhaps carries with it a limitation is that he brings no very obstinate subjective values to the measurement and appraisal of contemporary life. Since the phenomena of life add up to a total of chaos, each individual phenomenon has practically the same value. Dreiser wonders about it all a good deal, much as a child wonders about the stars; often in his books he is touched with pity, which he makes the reader share. For the most part, how-

ever, he is content to exercise his extraordinary talent for being interested in the most commonplace facts, and then somehow making them seem significant when they are woven into the lumbering narrative of one of his Gargantuan books. Dreiser does not protest, nor even comment. The material, transfused by the equivalence which Dreiser's naïve vision gives it, shapes its own comment. Dreiser's point of view is in some respects more revealing than that of any other American novelist. In *An American Tragedy* he has with sure instinct chosen the great American theme —"keeping up with the Joneses." Clyde Griffiths kills his pregnant mistress because she stands in the way of his pecuniary and social advancement. Most of America is busy murdering its civilized values for a precisely similar reason. And the tragedy is that it can scarcely be helped.

8. The Dramatists—Spectacle Supplants Preachment

It is only within the past decade that it has been possible to take the American theater seriously. But the theater, by its very nature, reflects social forces with extraordinary sensitiveness. Hence, even in this brief period it is possible to distinguish a change in the value assigned to labor. It must be remembered, of course, that the theater is above all a middle-class institution. Before the war, when middle-class liberalism was good form, we had productions of Gerhardt Hauptmann's *The Weavers* and Galworthy's *Strife* and *Justice*—all good lib-lab documents. Since the war, we are having less Galsworthian sentiment and more Shavian wit. Other European importations are *Masse-Mensch* by Ernst Toller, *R. U. R.* by Capek, *Gas* by Georg Kaiser. Although there is undoubtedly a considerable American interest in the post-war point of view of Europe, these plays were produced in America not so much for their content as because they were good theater. Incidentally, the mood of the post-war European dramatists is essentially disillusioned. Labor plays no such dynamic rôle in these plays as it does, for example, in *The Weavers*. This is perhaps less true of the two American plays, Eugene O'Neill's *The Hairy Ape* and John Howard Lawson's *Processional*, which properly belong in this discussion. The Hairy Ape is determined to "belong" to the society which ignores and brutalizes him. But his revolt is an individual protest which has its chief *raison d'être* in his theatrical effectiveness, although of course one

does not mean to ignore altogether the larger social implications of the symbol.

Processional applies the expressionist technique to the materials of the class conflict. The protagonists are there—the Marxian soap-boxer, the capitalist, the reporter—all stylized into comic-strip caricatures and set dancing to a jazz rhythm which buoys up and intensifies the movement of the drama. But the class conflict is treated dispassionately as spectacle, and the dénouement affirms not the will to power of the submerged class but simply the biological continuity of life, as expressed by the proletarian flapper.

Loud Speaker, another play by John Howard Lawson, which opened the 1926 season of the Playwrights' Theater, exaggerates the expressionist technique at the expense of both theme and characterization. The play is in fact a satirical puppet show, its social comment being limited to the rather banal "Democracy is the bunk." *Pin Wheel* by Francis Faragoh is full of the same jazz footwork but is equally unpretentious as to ideas. *Rapid Transit*, by the Hungarian Lajos N. Egri, satirizes the strained pace of contemporary society by portraying the mythical countries of Hacuba and Hekuba, the inhabitants of which have only twenty-four hours to live and spend that little foolishly. It fails, however, to do much with the idea. A much better job of social satire is *Chicago*—an amusingly hard-boiled take-off of recent murder trials with their accompanying scramble for publicity. Even better was *Spread-Eagle*, the first genuinely hard-boiled war play we have had. Unlike *What Price Glory*, it does not temper its realism with romance; because its action is post-dated—a hypothetical war with Mexico, whose genesis it shows—it is extraordinarily valuable as liberal propaganda and hence of course drew instant fire from the military.

9. The Hard-Boiled Biographers

Probably the outstanding successes in the publishing field since the war have been the biographies of famous men and women. Following the lead of Lytton Strachey, whose *Queen Victoria* and *Eminent Victorians* unquestionably established the vogue, our journalistic biographers have rattled one after the other the skeletons in our national Hall of Fame, from George Washington to Anthony Comstock.

One may hazard a partial explanation of the vogue of biography

by saying that perhaps the sobered mood which followed the war induced a disillusioned examination of our national origins. Our historian-president had proved both during the war and at the peace conference that he knew little of history and less about human beings. After that experience the nation, skeptical of the encomiums to which conventional history books and biographies are devoted, advanced toward maturity.

The field was neglected and its cultivation has produced a number of serviceable books. For the most part the biographies have been written without a thesis, although the biographers have held the common conviction that the stuffed shirts they were examining concealed something besides moral edification. Usually they were right, although frequently they were shallowly journalistic. Our national culture is healthier and richer on the whole for their labors. It will be still healthier when they recognize, as some of them already have, that America has produced a good many stalwart and courageous personalities and that this inheritance should not be lightly scrapped, even though they, like all men and women, had their frailties and foibles.

10. Keeping Up With the Joneses

The dominant fact of contemporary American life is our prosperity. The dominant ambition of the typical American man or woman is to become successful in pecuniary and "social" terms. It represents perhaps the transfer of the pioneer drive to the more compact arena of business and social competition. Americanism is still a state of becoming rather than of being—it is this fact which puzzles and exasperates our foreign critics. "Keeping up with the Joneses" is not merely the great American theme; it is what Theodore Dreiser has called it, the "American tragedy."

The most expressive American symbol is the ladder, no rung of which is secure. The Long Island real-estate agents will tell you that not one suburban family in three lives within its income. They are all making installment payments on automobiles, which are bought and sold, not primarily for their utility as transportation, but as evidences of social and pecuniary status. The General Motors Corporation has recently added two new cars to its line; the ladder is now complete, and its lowest rung, by advertising itself as the "most beautiful Chevrolet," threatens to drive the utilitarian Ford from the highways despite Ford's attempt to

paint up and tone up to the requirements of the post-war flapper's pecuniary idealism. Next year her commuting husband will turn in the Chevrolet for a Pontiac, to be exchanged in turn for a Buick, a La Salle, and so on—endlessly succumbing to the coercion of his emulative environment.

Impassioned sellers of space in the *New Yorker*, *Vanity Fair*, and other "class" magazines, will tell you that the silversmiths are all wrong in advertising "period" silverware. The sound policy is to sell the "smart" thing which Mrs. Van Alstyne Jones displayed at her last "at home"; it must be sterling silver, of course, because as one progressive advertiser has already pointed out, one's dinner guests these days are not above upending a piece of plated ware, noting the absence of the sterling mark, and calling one's bluff.

One of the largest advertising agencies in America employs a distinguished psychologist to prescribe the formulæ of motivations on which the advertisements produced by this firm are built. His answer, undoubtedly the correct one, is emulation; all the other motivations, even including sex, are subservient corollaries. One of the most successfully advertised cosmetics based its appeal on an endorsement by the Queen of Rumania. "The skin you love to touch" is by now an advertising classic; it came as a revelation to the pragmatic young girl wondering how to get ahead.

It is fair to point out, as Stuart Chase has done in *The Tragedy of Waste*, that the technique of advertising has been used to exploit and to intensify the emulative, parvenu quality of post-war America. As a causative factor, however, it is unimportant. Advertising is merely one cog in the adaptive mechanism built up to satisfy the demands of money seeking investment, of industry seeking markets, industry constantly fertilized and made overproductive by applied science. Let no one think that business itself finds life easy in this atmosphere of constant "becoming." As a matter of fact, if a miracle should bring about the coöperative commonwealth overnight, the cheers of the radicals would probably be drowned in a huge sigh of relief from the distraught and burdened business executives struggling to preserve themselves and their stockholders in a steadily increasing welter of competition. Lacking the miracle, all they can do is to pedal frantically the racing, wobbling bicycle which our civilization, under capitalism, has become. *Revolution, 1926* is the title of a booklet which

a magazine of business recently proposed to send its advertisers in order to explain the present drift of its editorial policies. The booklet pointed out that today business is perforce revolutionary. It listed seven new forms of competition which have developed within the past decade: among them interindustrial competition —lumber and concrete and brick fighting it out for the favor of the American homebuilder—"Eat more bread" echoing "Eat more meat" from the cards in the subways; it pointed out that selling methods are shifting overnight, that cigar stores and drug stores now sell everything from candy to house furnishings; that installment selling has transformed the entire credit structure; that the research laboratories of our great corporations are pouring out a stream of new inventions, which may shift overnight a manufacturer's source of raw materials or make it necessary to scrap a million dollars' worth of machinery.

All this concerns the present discussion only in so far as it sketches the economic background out of which our emulative psychology arises. Business, through the instrumentality of advertising, fosters emulation in America in order that the domestic market may absorb more products. There are also of course the foreign markets, both for products and for money seeking investment. Hence our inevitable program of imperialism.

II. Making America Safe for Imperialism

The one war-lesson which American business fully absorbed was the utility of propaganda. If it was possible to sell one war to the American people, it should be possible to sell another. The *Saturday Evening Post* is rather frankly embarked upon an enterprise of this sort, with the help of Isaac Marcosson and Richard Washburn Child. Obviously the State Department and, more important, the business interests to whose needs and ambitions the present administration is entirely responsive, are fed up with hypocrisy. Why should it be necessary for American business to seek its economic objectives under cover? How long must we wear these winter garments of liberalism, virtue, and conscience, now that the spring of a great imperialist adventure is upon us? We need Mexican oil, Nicaraguan fruit, markets in China—it's economically right that we should have them. All right—let's make this word "imperialism" respectable, and then it will be a lot easier to go ahead.

Some such program as this seems to lie behind the series of articles now running in the *Saturday Evening Post*, and it probably will be successful. The American people will believe anything if the right people tell it to them long enough. And what could be righter than the *Saturday Evening Post?* Unhappily, although one may reject the implications of this *Saturday Evening Post* propaganda, these gentlemen are on the whole little less reliable as to their facts than some of our staunch liberal journalists. The muckrakers aren't what they used to be.

12. Conclusion

Certain passages of this review may, it is feared, convey a sense of loss and failure. No such idea is intended. America is moving ahead. It is reading better books, seeing better plays. It knows its morons, and they have their tabloids. The people who count are thinking more clearly and positively than ever before. They are closer to self-awareness, closer to an awareness of their environmental necessities—they are, in other words, more cultured. This in spite of prohibition, fundamentalism, and a dozen other ephemeral phenomena. True, we have had our Scopes trial; but have we not also had *Gentlemen Prefer Blondes?*

We are caught in a vicious circle of material emulation, with its corollary of imperialist expansion, but the accelerated speed of our economic mechanism must of itself hasten a solution. Even the labor movement has no real cause to despair. The radicals are becoming more realistic, the conservatives more pragmatic. It is a period of enormous vitality and interest. The underlying forces are not merely revolutionary; they are paced about ten times as fast as they have ever been before. The outworn patterns of our pre-war liberalism can not compass these forces; the imported Leninist adaptation of Marxism has so far proved itself equally inept. Slowly, we shall develop a social intelligence which knows a force when it sees one; later we may be able to develop techniques for making these forces function without conflict and destruction. We shan't do this because we are radical, or liberal, or conservative, or good, or moral, or artistic. We shall do it because we have to in order to save, not democracy, or the flag, or anything else so superficial, but ourselves and our physical and spiritual comfort.

James Rorty.

PART TWO: PROBLEMS OF A LABOR UNION SOMEWHERE IN THE UNITED STATES

Part Two

Problems of a Labor Union Somewhere in the United States

By *J. B. S. Hardman*

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PART TWO

PROBLEMS OF LABOR ORGANIZATION

The organizing of wage-earners in trade unions has been carried on now for more than a century. It is a hundred years since distinctive trade and labor unions came into being and nearly fifty years since the launching of the first national central bodies aiming to embrace all or most American national and local unions. A great volume of experience was accumulated by the participants in the movement while they sought to meet varying situations and to recondition the sphere of their operation. Many of these experiences have found their way into the printed story of the movement as records of events or as accounts of personal activities or observations. Many more experiences, embracing "the tricks of the trade," live only in the memory of the active participants and are allowed to travel by word of mouth in the ranks of the initiated or the uninitiated on the inside. To all others these experiences remain a sealed book.

No known attempt has been made to assemble this rich source-material of the movement, to study and analyze the job of organizing workers and to outline a technique of trade-union organization. Today, even as a hundred years ago, trade-union organizations remain an exercise in chance-taking, mostly, if not exclusively, based on native predisposition and intuition rather than on summarized and differentiated experience. Divination rather than training is what the trade-union organizer falls back on.

No responsible business man in this age of specialization and applied science will sneer at the idea of a school of business administration, but the mention of a training school for trade-union organizers is certain to call forth a hearty laugh from the practical trade unionist. The most secretive of all social arts, that of diplomacy, is reconciled to the idea of schooling, but the art of leadership in trade unionism is not. Trade unionists are extremely distrustful of the idea that active workers may be trained in a systematic fashion even before they are let loose on the field of complicated and challenging social relations and conflicts.

The practical trade unionist has an abiding faith in the time-honored and undoubtedly meritorious method of learning by trial and error. In fact, the assumption is that trade-union leaders, like poets and politicians, are born, not made.

The question whether or not and to what extent it is possible to outline a fool-proof technique of trade-union organization bears closely on the issue of labor leadership. If such a technique, sufficiently representative of the realities of the problem, were evolved and found to be workable, an infusion of new blood into the councils of the movement would become possible by means more expedient and less costly than civil war and natural death. Under the dominant idea of the immaculate conception of trade-union leadership, no new blood is admitted or wanted. Not only do most leaders believe in their own divine equipment for the jobs they hold, but the bulk of the "rank-and-filers," too, have grown accustomed to viewing leadership as a combination of a vested interest and a sacred trust which should not be disturbed lest the movement suffer. It is a common superstition, to be met with in various walks of public life, that affairs are likely to suffer greatly should the old hand steering the wheel be changed. Superannuated leaders, who have long outlived their usefulness, are probably met more frequently in the labor movement than in any other militant social movement.[1]

The issue of evolving a technique of labor organization can not be approached in the light of past trade-unionist experience alone. Trade-union organization has become an exercise in power accumulation, and logically enough, all problems of labor organization must be subordinated to the aim of organization, the accumulation of power. Any method that points toward a possible increase in the power of the organization is the right method, even if the most sophisticated and difficult. Any procedure by which the central aim and the chief reason for the existence of the union is likely to be advanced will command approval. Power of, by, and for the union, is the issue and the acid test of every trade-union organizing campaign.

Obviously, the scope of labor organization technique is as wide as the labor organization itself. Considered in terms of

[1] An expressive commentary on many a case in the labor movement is Boardman Robinson's visualization of Moses the Leader, grown senile and feeble and incapable of raising his hands, and therefore supported by two younger warriors who uphold his arms so that Israel may see the direction and follow.

power accumulation, the organization problem really embraces all union activity, its direct and indirect functions, all its subsidiary and auxiliary enterprises. Political activity, whether direct, independent, or carried on through legislative lobbying and participation in non-labor parties, labor banking, labor education, collective bargaining, strikes, shop control, the assumption of responsibility for production, coöperative ventures, participation in cultural enterprises, in international bodies, all these and other manifestations of active trade-union interests and endeavors are the vehicles leading an organization to the accumulation of power, and fall within the scope of our problems.

There is no recipe for organization technique. Organizational procedure cannot be standardized. Each concrete situation presents its own problem. The problem of each situation must be met in the terms of that situation and approached from the premises of each occasion. This must be borne in mind before a generalization is attempted.

While it is true that a great many unions are concerned with quite similar or even identical problems and that more often than not unions act in a similar way to meet obstacles of a similar nature, it is equally true that there is enough of dissimilarity between *how* any two unions will act in a given situation to overshadow the similarity of *what* they may do. The manners in which two unions, operating in closely related and similar fields, will apply one and the same means of action, are markedly different, making a copious transfer of organizational technique from one field of action into another quite unworkable, if not altogether impossible.

It is possible though to *methodize* the problem of labor organization without falling into the fallacy of advancing standardized or even specific recipes. A detailed knowledge of what is being done here and there may lead to a workable knowledge of how problems may be approached and studied before they may be handled. The practical trade-union worker abhors cut-and-dried solutions in the field of organization. He knows that reality, changeable and non-conforming, has no fear of rules and prescribed procedures. However, the student is bound to discover that the generalizations which he may draw from an increasing number of cases under consideration will make possible certain classifications. It is possible to methodize the wide range of

experience into a generalized statement, but this must be done with great caution and discretion.

To demonstrate what may be described as a pragmatic approach to the issue of labor organization, a certain amount of trade-union experience is related in the pages that follow. These experiences are presented as if they were news from nowhere, having occurred at "zero hour," in "no man's land." However, this is not quite so. The stories of experience thrown into perspective as "hypothetical cases" have not altogether been cut from the whole cloth.

In fact, the writer has had his mind fixed upon certain quite real situations which, in part or in whole and under one set of conditions or another, have come to pass somewhere in the United States in the last couple of years and under the writer's close observation. None of the cases was altogether exceptional. They might have developed, with certain deviations, to be sure, in industries other than those in which they did occur. The hypothetical cases may be regarded as characteristic of certain more or less significant parts of the industrial scene.

The method of presentation in some of the cases is that of stating all the facts in the hypothetical case and presenting two courses of action, first, the habitual, the less sophisticated, or the conventional, and second, the more pragmatic, not used by many unions, only by such as mean to do business on the basis of the facts and of the power-relation of our time. Other cases have been chosen with a view to presenting only one course of action, and in the presentation of the issue of leadership, an attempt was made to take a composite view of the tribulations of progressive leadership rather than to present types and varieties. The case of leadership may not be directly a part of organization technique, but the indirect relevance of leadership to the building of social power is all too obvious to need emphasis.

The relation of a technique of labor organization to the issue of power accumulation should be obvious in each case since estimates of the "success" or "failure" of a policy or method are made dependent on the gain or loss of power by the organization in consequence of the employment of the method or policy chosen.

CHAPTER V

UNION OBJECTIVES AND SOCIAL POWER

1. Objectives, Immediate and Ultimate

Practical trade unionists consistently deny that their movement is committed to any objectives save the most immediately discernible. They reject as a studied offense the very suggestion that American trade unionism may be bent on achieving anything qualitatively different from what is vaguely described as "a full day's pay for a full day's work." Any speculation as to what the movement may do the day after tomorrow when the most immediate objectives will have been obtained is invariably frowned on as "theory" or as "philosophy," to indulge in which is considered unbecoming to a practical trade unionist and a responsible leader. Throughout the half century of unbroken and coherent life of national trade unionism this has been the attitude shared by all recognized spokesmen for the movement. They were not disturbed by the fact that their press carried on discussions of basic principles and that at their conventions they had on various occasions adopted resolutions and preambles which definitely related the immediate tasks of the unions to certain general aims of the movement.

a. "We have no ultimate ends"

As far back as 1883, hard pressed by the Senate Committee on Education and Labor for a statement of trade-unionist objectives, Adolph Strasser, an outstanding personality and a leading man of the movement of those days, flatly denied that he was concerned with ultimate ends:

> *Question:* You are seeking to improve home matters first?
> *Answer:* Yes, sir, I look first to the trade I represent; I look first to cigars, to the interests of men who employ me to represent their interest.
> *Chairman:* I was only asking you in regard to your ultimate ends.
> *Witness:* We have no ultimate ends. We are going on from day to day. We are fighting only for immediate objects—objects that can be realized in a few years.

Question (by Mr. Call): You want something better to eat and to wear, and better houses to live in?

Answer: Yes, we want to dress better and to live better, and become better citizens generally.

Chairman: I see that you are a little sensitive lest it should be thought that you are a mere theorizer. I do not look upon you in that light at all.

Witness: Well, we say in our constitution that we are opposed to theorists, and I have to represent the organization here. We are all practical men.

"We have no ultimate ends. . . . We are all practical men. . . . We are going on from day to day. . . . " Adolph Strasser was no chance figure in organized labor. He was a progressive, too. For many years the President of the Cigarmakers' International Union and a close coworker with Samuel Gompers in the formative stages of the A. F. of L., Strasser was also the national secretary of the Social Democratic party of North America. An immigrant from Germany and strongly impressed with the ideas of Karl Marx and the International Workingmen's Association, Strasser was one of the small group of men who gave shape, direction, and its workaday philosophy to the American Federation of Labor in the stormy and perhaps the most contentious decades American labor has lived through, the 80's and 90's of the nineteenth century.

Pure and simple trade unionism, or the philosophy of pure wage-consciousness, was what Strasser stressed before the Senate Committee in 1883. And forty-one years later, in 1914, before the United States Commission on Industrial Relations, Samuel Gompers reiterated the same mind of labor and in almost exactly the same words. Mr. Gompers occupied the witness-stand and answered questions asked by Mr. Morris Hillquit in a cross-examination under the auspices of the United States Industrial Relations Commission which was authorized to "seek to discover the underlying causes of dissatisfaction in the industrial situation and report its conclusions thereon":

Mr. Hillquit: . . . Inform me on this: In its practical work in the labor movement, is the A. F. of L. guided by a general social philosophy, or is it not?

Mr. Gompers: It is guided by the history of the past, drawing its lessons from history. It knows the conditions by which the working-people are surrounded. It works along the line of least resistance and endeavors to accomplish the best results in improving the

condition of the working-people, men, women, and children, today and tomorrow, and each day making it a better day than the one that had gone before. The guiding principle, philosophy, and aim of the labor movement is to secure a better life for all.

Mr. Hillquit: Now, "the highest and best ideals of social justice," as applied to the distribution of wealth—wouldn't that be a system under which all the workers, manual, mental, directive, and executive, would together get the sum total of all the products of their toil?

Mr. Gompers: Really, a fish is caught by a tempting bait; a mouse or a rat is caught in a trap by a tempting bait. The intelligent, common-sense workmen prefer to deal with the problems of today, the problems with which they are bound to contend if they want to advance, rather than to deal with a picture and a dream which have never had, and I am sure never will have, any reality in the actual affairs of humanity, and which threaten, if they could be introduced, the worst system of circumscriptional effort and activity that has ever been invented by the human mind.

Eliminating from the testimony the emotional reactions of Mr. Gompers to what he suspected or feared to be socialism in disguise, we meet that typical antagonism of the practical trade unionist to the setting up of any "far-fetched" scheme, *ism*, philosophy, or ultimate objective for the trade-union movement. Strasser, a national officer of the cigarmaking trade International, in 1883, spoke of "looking first to cigars." Gompers, the President of the A. F. of L., went a step further in 1914. He referred to the trade unions as the labor movement and he said that the aim of the movement was to secure a "better life for all." Allowing for the difference in the personal status of the two leaders, we see that the two men, separated from one another by thirty-one years, reacted to the old question of trade-union objectives, immediate and ultimate, with identically the same words: " . . . We won't deal with a picture and a dream . . . prefer to deal with the problems of today . . . line of least resistance. . . ." Gompers, like Strasser, conceded to the unions immediate ameliorative objectives only and no ultimate, far-reaching objectives.

The fact that practical trade unionists saw fit consistently to deny that trade unions were concerned with problems of "the day after tomorrow" was due, at least in part, to attacks on the alleged "subversive" nature of labor organization from sources hostile to labor. For the same reason, however, it is

fair to assume that the practical labor leaders' insistence on their articles of no creed may have represented a studied policy rather than a deeply-seated conviction.

B. IMMEDIATE PROBLEMS AND ULTIMATES

The standard of living for which trade unions wage their fights is a complex quantity. It reflects the wants of labor and the wealth of the nation. The trade union, in the final count, is the differential between the allowance which capitalism, or business management, is willing to concede to labor, and the living standard which labor is ready to fight for. It represents the actual subsistence minimum of the workers plus what the workers feel they are "entitled to" and without which they won't go on. Trade unionism acts as a check on the impersonal operation of the law of supply and demand. Trade unions represent labor's fight for an ever larger share of the proceeds of production. They tend to restrain competition among workers in the labor market.

Labor in the United States enjoys a measure of prosperity which labor overseas does not enjoy. But its relatively better economic status is not sufficient to blind American labor altogether to what it really needs for a wholesome and adequate life. Economic, cultural, and political desires may not always, if at times, be quenched by *favorable comparisons* with what labor in one country has and enjoys over labor abroad. These desires may be fanned by a realization of the inadequacy of what labor has and enjoys as compared with the possessing class at home. The fact that for the present labor in America is not out for anything but wage increases and reduction of hours is not of itself sufficient proof that American industrial society is immune to social discontent.[1]

It may be interesting to note that William Z. Foster, as determined a critic of the American labor movement under its present leadership as any one in the field, only five or six years

[1] The intrinsic radical implications of the apparently moderate or even conservative nature of the issues of wages and hours are excellently stated by Havelock Ellis in his *Dance of Life:*

"The insistent demand for increased wages and diminished hours of work has not been inspired by the desire to raise the level of culture in the social environment or to inaugurate any esthetic revolution, yet by 'the law of irony' which so often controls the realization of things, that is the result which may be achieved. The new leisure conferred on the worker may be transformed into spiritual activity and the liberated utilitarian energy into esthetic energy. The road would thus be opened for a new human adventure of anxious interest which the future alone can reveal."

ago argued for the implicit far-reaching ambitions of our trade unions. He urged strongly against looking to the formal claims of the official spokesmen of the movement for the real meaning of the movement. Drawing on his large experience and wide contacts with generally conservative national labor leaders, Mr. Foster did not hesitate to say in the concluding chapter of his book *The Great Steel Strike and Its Lessons:* [1]

> It is an indisputable fact that the trade unions always act upon the policy of taking all they can get from their exploiters. They even overreach themselves sometimes, as a thousand lost strikes eloquently testify. Their program is directly anti-capitalistic. . . . So far as the tendency of their demands is concerned, there can be no question about that to any one who will look at them squarely; the trade unions may be depended upon always to check exploitation through the wage system so far as their power enables them. The big question is whether or not they will be able to develop enough power to stop exploitation altogether. . . . They, like various other aggressive social movements, have more or less instinctively surrounded themselves with a sort of camouflage or protective coloring, designed to disguise the movement and thus to pacify and disarm the opposition. This is the function of such expressions as "a fair day's pay for a fair day's work," the interests of capital and labor are identical, etc. In actual practice little or no attention is paid to them. They are for foreign consumption. The fact that those who utter them may actually believe what they say does not change the situation a particle. Most movements are blind to their own goals anyway. The important thing is the real trend of the movement, which is indisputably . . . on the one hand constantly expanding organization, and on the other constantly increasing demands. The trade unions will not *become* anti-capitalistic through the conversion of their members to a certain point of view or by the adoption of certain preambles; they *are* that by their very makeup and methods.

The fact that Mr. Foster in his latter-day activities went back on his own observations and conclusions thereon does not detract from their essential soundness. Perhaps, to paraphrase his own words, most leaders are least to be expected to draw conclusions from their own premises. At any rate, the question of the ultimate objectives of trade unionism cannot be answered from texts and gospels according to one apostle or another. Social movements have a way of running, disregarding the beds laid out for them by writers of constitutions and makers of preambles. What is of first significance is not what individual trade unionists and labor leaders want their unions to do, but what

[1] Pp. 257–9. Published by B. W. Huebsch, Inc., New York.

they are *bound* to do. The *dramatis personæ* of the trade-unionist performance do not always lead. Not infrequently they are pushed from behind by forces over which they have no control. They may decide to confine the movement to "problems of the day only" or to attempt a plunge into "the great beyond," but neither one course nor the other is certain to follow because of such decisions.

Trade unions need power in order to materialize their most immediate daily objectives. In a social order in which groups and classes contend for power, trade unions cannot lead a vigorous, growing life unless they are powerful.[1] Generally and objectively speaking, *trade unionism is a sustained, systematic effort at power accumulation*, and this function of trade unionism is also its driving force. For power accumulated by an organized group or class of society cannot remain inactive, static. It must be put to certain uses as a result of which it spends itself and simultaneously generates new, greater power. The possession of power by a class or organized group compels action in the interest of further expansion, or doom is the inevitable alternative. Trade unions which possess no power do not have to decide not to lead a vigorous, expanding life. They could not do so if they would. Trade unions which possess power can not conveniently rest on their laurels. They are obliged to set out for greater stakes and cannot avoid transgressing the bounds of their immediate objectives. Sooner or later they enlarge the scope of their activity and their ambitions to a point beyond which the social order cannot let them proceed without throwing itself out of gear. But fire is opened on advancing trade unions long before they reach "no man's land." The entrenched holders of power attempt to checkmate trade-union marches long before an actual and open encounter is in sight. This anticipation of the eventual struggle and the strategy based on the an-

[1] Walter Lippmann, a sane and very unromantic social analyst, writes: "It is labor organized that alone can stand between America and the creation of a permanent servile class. *Unless labor is powerful* enough to be respected, it is doomed to a degrading servitude. Without unions no such power is possible. Without unions industrial democracy is unthinkable. Without democracy in industry, that is, where it counts most, there is no such thing as democracy in America.

"For only through the union can the wage-earner participate in the control of industry, and only through the union can he obtain the discipline needed for self-government. Those who fight unionism may think they are fighting its obvious errors, but what they are really against is just this encroachment of democracy upon business."

ticipation and awareness of what is ahead is the subject matter of *ultimate* objectives. In this strategy, *immediate* and *ultimate* objectives meet; in it they are integrated and correlated. No amount of virtuous or indignant abjurations by unwilling or super-cautious leaders can materially alter this state of affairs. Vital trade unionism is obliged, under threat of counter attack, to think of ultimate objectives, if it means to prosecute its immediate objectives. It is obliged to relate its immediate tasks to the larger issues of the time and to what "the day after" holds out as a reasonable certainty.

2. Trade Unions as Contenders for Social Power

The early days of trade unionism were abundant in preamble radicalism. Statements of rather modest immediate objectives were, as a rule, escorted by cheerful declarations of what was wanted in the distant but just and glorious future. The combination of far-reaching ultimate objectives and a very moderate program of immediate action would not seem contradictory. The pioneers of American trade unionism knew what they wanted done in their own day and had no doubt as to what was due to come on that great day of reckoning which they thought was far off but inevitable. There was comfort in that sense of certainty, and from it came an effective rallying call. If on close examination it was found that that knowledge was really no more than an abiding faith, what did that matter? The movement was the stronger for having been mostly a theology.

A. The Mechanical Revolution and Trade Unionism

In time most trade unions dropped that oftentimes inconveniencing preamble radicalism, but this action did not necessarily affect their general attitudes toward ultimates. Thus, the International Association of Machinists still carries, while the Amalgamated Clothing Workers of America has dropped, the radical class-conscious preamble in their respective constitutions. But an attempt to draw conclusions as to the radicalism or standpattism of either union from the presence or the absence of formal declarations in their constitutions would be nothing but amusing.

Nineteenth-century trade unionism was the product of the

industrial revolution which had created the modern wage-worker and his social antithesis, the employer of labor. The direction and the terms of the conflict between employees and employers were determined by the major features of the industrial revolution. The issues of the conflict, however embittered, were mostly quantitative. They centered around the issue of more wages or less, a shorter workday or a longer. The worker's skill was his first claim to his job and conditions. His physical strength, pugnacity, and ability to defend his job against a strike-breaker was his protection against a possible lowering of standards in case of a disagreement with the employer as to terms. On the other hand, the employer was concerned with the problems of a competitive market. He worried over the quality of the goods, the time of delivery. He was likely to stand loss and financial embarrassment in case of a prolonged conflict with his workers. These were the elements of nearly every contest, and on the skill, the promptness, and the daring with which each side handled its situation largely depended the decision of the issue. This relative simplicity of the social and industrial scene of the nineteenth century no longer obtains.

The mechanical revolution of the first quarter of the twentieth century, with its international headquarters in America, has given a new impetus and outlook to capitalism, and to its concomitant, trade unionism. The gigantic strides of post-war industrial processes which know of no bounds or restraints, compel on labor new attitudes, new approaches, a many-dimensional orientation. The practical disappearance of competitive capitalism from basic industries has led to the elimination of the two-fist method from the class struggle. With trustified industry and consolidated money power tied and regulated by gentlemen's understandings reached on golf courses when not absorbed by full-fledged trusts, a new determining element has entered the industrial arena. That element is power. Power does not exclude force, but force is not its mainspring. Power is a highly sophisticated entity. Of this new factor in class relations, labor is obliged to take cognizance under threat of actual demolition. A great many American unions have been severely penalized in recent years for their failure fully to realize the significance of the new power-relationship, or for their failure to act in the light of that relationship.

B. THE IMPLICATIONS OF SOCIAL POWER

The immediate demands of trade unionism are realizable through organization and collective bargaining. The strike is a part of the bargaining process. The right of the union to order a strike and its power to achieve a tie-up of all work is the driving force of all peaceful round-table negotiations. The strike, however, is a means, not an end. The most eventful strikes are carried on with a view to obtaining a settlement; that is, peace. Strikes and peace agreements are the respective registers of the power-relation between employer and employee. The stakes of either side in industry are closely and intricately related. They want peace while war is on, and contention begins the moment both sides have signed the peace agreement. No state of complete coincidence between the two sides is possible, since at bottom they fight over division of spoils.

The employer-employee relationship is an industrial relationship. The interests of the two collide in the industrial process. They collide over wages and earnings, distribution of work, hours, output, and some very certain, and other rather vaguely discernible, shop rights. However, no settlement of disputes really settles anything for any length of time. The disputes take on new forms and new substance with each new appearance, and each subsequent settlement is in reality the basis of new conflict.

The mechanical revolution of the twentieth century caused great changes in the straight labor-capital relationship of the preceding period. The dividing class lines are still there, but they no longer run in the old parallel fashion. They cross at most unexpected points. It takes an experienced analytical eye to follow their course. Force, still a factor in the political relations of classes, is not sufficient to decide industrial issues. The worker can not safely depend on skill as his major asset in bargaining. Skilled craftsmanship is being displaced by common labor, under trained engineering supervision. Trade unionism, with emphasis on trade, is growing less effective as time goes on and applied sciences continue to develop. The complex realities of capitalism under the terms of the mechanical revolution turn the industrial class contention into an equation with many variable factors. The worker, to be sure, depends on the power of his union for protection and improvement of

work conditions, but to be effective, this power must be a richer component than the old combination of skill and force. A union of unskilled workmen may show greater power in its field than an organization of highly skilled mechanics. The strength of many a union is measured neither by the physical strength of its membership nor by the monopoly of skill, if any, that it represents, but rather by the power that it possesses.

But what is this power that is so essential in the industrial struggles of the twentieth century? Power in this relation is a social entity. It is *social power*, the term "social" being used in the same sense as in the expressions "social forces," "social changes," "social revolution," "social conflict." *Social power* may, like all power, be based directly or indirectly on force, but it rests on a wider and more effective foundation than force would give it. The power that it wields in industry makes the union a force to reckon with, because industry is the basis of industrial society. The aggregate labor power of its members is the foundation of the union's power in industry. But that is not all that makes for effective social power. The union magnifies its power in industry by developing a complex relationship to the whole field of social living to which the industry is related. Under the expanding conditions of twentieth-century civilization, the union must obtain a conspicuous position in the life of the nation if it proposes to hold its status in industry. The outstanding characteristic of American trade unionism at present is its nonexistence in the basic industries which grew with the mechanical revolution. The automobile industry is not the only one that can be cited as representing thoroughly unorganized labor. The steel industry knows no effective trade unionism. The coal industry is facing grave problems of technical reconstruction, and coal unionism, in a badly shattered state, shows no signs of adjustment to changing conditions. The railroad shop crafts are in a state of utter impotence. Only in industries and trades where unionism has met new developments upon their own terms has labor retained its position and status and even made headway. In a power-relation age, trade unionism can thrive only if it harnesses social power. Trade unionism needs power to bargain. The more power, the more effective the bargaining. The more widely ramified the power of the union, the greater the union's prospect of successful bargaining. To be successful, trade union-

ism must be as sophisticated in its attempts to accumulate power as is the power-relation of our industrial order. Operation from a wider base, fuller utilization of resources, make success possible if not, in some sense, certain. The wider base is supplied by the union's active and purposeful participation in the interplay of social forces. It is obliged to become a dynamic social force itself, to think and to act in terms of social power.

C. POWER FOR WHAT?

Asked "Power for what?" safe and sane American trade unionists will not hesitate to answer: power for bargaining only. But the logic of social power is more sophisticated than the reasoning power of safe and sane trade unionists. Once achieved, power creates its own "what." It is forced to expand both by resisting and by checking the drives of opponents as well as by its own urges. Trade unionism is openly and deliberately built on a class basis, and class or group power is contentious and dynamic. It cannot stand still. It seeks to grow at the expense of the environing social groups or classes. Thus, driven by the logic of its own development, trade unionism proceeds from the prosecution of its immediate objectives to positions from which it menaces, if it does not directly attack, the balance of social power which is the foundation of the present social order.

The history of the railroad workers' brotherhoods presents an excellent corroboration of this generalization. In 1916, because of the special needs created by the World War, the four railway brotherhoods found themselves in actual possession of a great measure of potential power, and they at once proceeded to turn this potential power into kinetic power. They told the President of the United States and Congress to do the bidding of railway labor or to take the consequences. They wanted to have a legislative enactment of the eight-hour day, and they worried little whether or not their demand was liked by the railroad companies or the government itself. Chiefs of the brotherhoods sat with stop-watches in their hands in the Congressional gallery and saw the freely chosen representatives of the sovereign American people swallow their parliamentary prejudices and do what the brotherhoods wanted them to do. The stolid conservative leaders of organized railroad labor did not lose much sleep because the legislative enactment of the eight-hour day

was, in the circumstances of those days, little short of a prelude to revolution in social status.

The action of John L. Lewis in 1919 was of the same caliber when he uttered his neat command, "Freeze or starve!" But he had mistaken the organized power of the United Mine Workers for what it was not, and so, when he found out, he was quick to recant: We are Americans, we won't fight our government. Mr. John L. Lewis would surely have been as much of a good American as Warren S. Stone had he had the necessary power at his command to get away with what he wanted to obtain. But his was organized power over only a limited area. The United Mine Workers would have had compelling power if they had been in a position to tie up their industry completely and if they had had their hands at the throats of as many politicians as the railroad brotherhoods' chiefs had in their grip. There was, of course, the time difference, the brotherhoods having acted while the war was in the ascendancy and a presidential election due within three months, whereas the miners' strike came after the war was over, at a zero hour of politics, and in an industry only half organized. This would show that social power also rests on the skillful utilization of both the time element and opportunity.

That in the two cases the union leadership was of the conservative type only emphasizes the point that it is not the subjective will of leaders but the objective logic of the situation which drives unions to contend for power and, under given conditions, to upset the social concert. Again, that the objectives which the organizations in question have set before them are not extreme or revolutionary does not detract from the force of the argument. Revolutions are "revolutionary" not because they conform to certain canonized criteria but because they set out to upset and to change an existing social relationship.

During that turbulent year 1919 the railway unions evolved the so-called Plumb Plan of nationalizing the railways. The United Mine Workers voted for the nationalization of the mines. The American Federation of Labor, somewhat reluctantly, followed suit in the nationalization crusade. The same year, twenty-four important international unions joined hands in a drive to force unionization of the steel industry. Had the trade-union organizations shown greater power and cohesion and had general

conditions been favorable, as, for instance, if the farmers had been inclined to support labor, it is not inconceivable that the combined union-labor power would have politely advised Congress to pass appropriate resolutions and to clothe in legalizing verbiage the changed industrial relationships which formidable labor power cared to establish. Would Congress have hesitated to comply? This, to be sure, is a hypothesis, a possibility erected on a pedestal of if's, yet not inconceivable, within the movement as it is today—conservative, old-fashioned.

D. THE MOVEMENT AND THE POWER ATTITUDE

The fundamental task of trade unionism is to achieve control of the labor supply and thereby improve work conditions in industry. In the fight for industrial control and in the exercise of that control, when and to the extent that such control is achieved, the trade union comes in contact and frequently in conflict with the productive and distributive functions of industrial society—with politics and legislation, finance, and education, with theory of law and concepts of ethics, right, and justice, with a practically endless variety of matters covered by that all-inclusive term, social living. Whatever the reactions of individual trade unionists to these matters, concepts, and conditions, the trade union as a social body finds itself related to them all in a manner which is determined by its major task, the achievement of control of the labor supply of the community. The relation of the trade union to all matters just enumerated is necessarily of a pragmatic nature. A purely doctrinaire attitude will not suffice. The trade union considers to what uses organization bodies, laws, and relations may be put. The union may not hold any definite opinions on the subject matter of the judiciary but it is concerned with injunctions, with laws governing the payment of wages, and so it is bound to enter the field of law administration. The union may think it is not interested in the laws which govern interstate trade and commerce, but it is vitally concerned with child labor, and that problem can best be tackled in connection with legislation which regulates trade and commerce between States. The trade union thinks it advisable to keep out of all religious controversies, but the church is an institution within the state; it runs schools and is related to politics and to property laws, and so the trade union finds itself

obliged to record a definite attitude toward religion as represented through the church.

Effective trade unionism necessarily finds itself in the center of a great many social relations, and an active participant in attempts to solve the most vexing problems of the state in its widest ramifications. In this manner, it easily and unavoidably proceeds from preoccupation with immediate objectives to the tackling of ultimates. It cannot accumulate social power outside of an active relation to social issues, and it cannot effectively wield industrial power unless it is socially powerful. The realization of this interdependence of *immediates* and *ultimates*, and action on that realization, make for two types of trade unions, vital and vigorous on the one hand, and senile and declining on the other. Trade unions of the first group may be described as *organizations*. Those of the other kind constitute the *movement*. The trade unions of the one type are static and have no bearing on the power-relation of the industrial order. Unionism of the second category is dynamic and leads toward a redistribution of power and under certain conditions may prove a factor in the transfer of social power to the workers. However, no Chinese wall exists between trade unions of the two types. Sooner or later, trade unions may be expected to shift from the static to the dynamic group. As a matter of fact, a state of continuous flow of unions from one type and category into the other is the rule rather than the exception.

Professor R. F. Hoxie's well-known distribution of trade unions into five functional types (business unionism, uplift unionism, revolutionary unionism, predatory unionism, and dependent unionism) would make of the essential oneness of trade unionism a multiple personality. He makes the claim that " there is no such thing as unionism, either in the sense of abstract unity, or of a concrete, organic and consistent whole."

Reality, as trade-union experience knows, is not in accord with Hoxie's view. Changes are constantly occurring within the unions assigned by Hoxie to various functional types. Unions don't live in a world all their own. They are neither free from interference by outside forces nor immune to mutual interaction. The direction of trade unions in action, like that of any group, is the resultant of a great mass of conflicting forces which operate in the field. These include individual views, habits of mind, and

interests of the wage-workers who constitute the organization, as well as the individual and the social aims of their leaders. To be sure, no one can formulate an all-inclusive intellectual denominator for all present-day unions, but it is not impossible to point to a possible *course of action* into which trade unionism as a whole is likely to be directed by the prevailing social and industrial realities. The accumulation of power with its subsequent challenge to the existing balance of social power is that course of action.

Exceptions in individual cases are too glaring to be ignored. The "power attitude" has not been taken by most unions. Not all unions have been forced into it, because industrial relations have not all and everywhere been readjusted to the new social power-relation. Nor have all unions shown themselves alert enough to realize the new state of affairs under the mechanical revolution. To the extent that this state of affairs has been recognized, the line of division among trade unions is that of greater effectiveness and of no effectiveness at all. The realization or the lack of this new condition spells the making or the breaking of the trade-union movement.

CHAPTER VI

THE UNION ATTEMPTS TO PENETRATE AN UNORGANIZED CENTER

Hypothetical Case No. 1

1. The Facts in the Case

N City is an important center in the mattress-producing industry. It is the seventh market in volume of production. And it is even more important as the key center of distribution since it is situated at the gateway of the western mattress markets. N City is an open-shop center. But there are quite a number of well-organized trades in the city, and a rather imposing Central Trades and Labor Union Assembly.

The national union of the mattress workers is an independent organization not affiliated with the A. F. of L. It enjoys good standing with the old-line unions. The national organization is bent on lining up the factories in N City. The open shops in that city threaten the union's grip in other cities. The national organization is ready to use a good deal of its resources and organized power to bring the N City mattress market into line.

N City has its quota of civic organizations, philanthropic societies, professional clubs, social organizations. It has a women's city club, an interdenominational church, newspapers, slums, foreigners, lawyers, and all the other elements that go toward making up a growing American community of a half-million population.

2. The Orthodox Method

The union directs a number of organizers to N City. They open headquarters in the factory district. They concentrate first on a number of the smaller shops. They meet the people who work in the shops. They talk to the people individually. They call meetings. They try to convince the people that in union there is strength and that through the union, if they organize one, they will be in a position to increase their earnings and to make their hold on their jobs secure. The organizers

talk. The people listen. The union pays the organizers' expenses.

The employers become aware of the agitation in and around the shops. The organizers approach some of the employers and suggest a union agreement before a strike is called. Several employers are anxious to avoid trouble. They consider negotiations with the union. In other cases, the employers make concessions directly to the workers, thus checking the union's advance. The workers have no choice but to accept the offer and stay out of the union. The union may be obliged to step back, for a time at least. Or the union may call a strike and either fail or succeed.

3. The "Sophisticated" Method

The union makes a study of the industrial, commercial, and financial aspects of the mattress-making industry in N City. It prepares a chart indicating the relation of every one of the local employers to the local banks, to local politics, and to the other business and social institutions of the city. The union ascertains the number of individuals in the city—employers, business men, social workers—who might prove useful in case an active campaign developed.

The union finds a way of bringing one of its important leaders before the public opinion of the community. The president or another nationally known officer of the union manages to be invited to address a gathering of one of the local civic organizations, to deliver a lecture in the local progressive church, or to participate in a round-table discussion, no matter what the subject or question. Care is taken to have the union officer's address secure advance and follow-up publicity. In the course of that publicity the union is careful to make it known to the N City people that the head officer of the Mattress Producers' Consolidated Association is not on the Moscow pay roll, that he is not out to raise the blue Zionist flag over the Capitol in Washington, that he stands for a square deal for everybody if the workers are assured of a square deal for themselves. The advance and follow-up publicity of the union does not fail to remind the people of N City that the union stands for education, for research, for arbitration, and for good will in industry, and that its officers are gentlemen.

As these preliminary activities are carried on, a number of union organizers enter the city and make contacts with the people in the factories. Activities are carried on quietly, and no publicity is given to what the union may think of doing later on. Several good mechanics are brought into the city by the union, and they try to secure employment in some of the local factories. By word of mouth and through the distribution of union literature, the people working in the N City mattress-making shops are told all about conditions prevailing in the other unionized markets. The union literature, as well as the union organizers, talk in positive terms only. They don't attack the local employers, nor do they paint an overly dark picture of local conditions. They do not praise employers elsewhere. They confine themselves to discussing the fact that in other cities, because of the existence of the union, working conditions are more healthful, people are making a better living, are enjoying a greater measure of liberty while at work, and are secure in their jobs. No foremen "sit" on them. All of which constitutes an American standard of living. No one must be allowed to forget that the Consolidated is a 100% American trade union.

The Consolidated takes care that the news is imparted to buyers in other cities that something is going to happen in N City. Trade journals are in doubt whether N City manufacturers will be in a position to fill orders, since there may be a strike or some sort of disturbance in N City, likely to interfere with production and perhaps to affect costs. Out-of-town manufacturers, for quite obvious reasons, give credence and circulation to these rumors. This is a part of the competition game. Manufacturers may be class-conscious, but in any case they are business-conscious.

There is widespread commotion and a general sense of insecurity by the time the union is ready to call a mass meeting of the employees of a number of shops. Workmen as well as manufacturers are gravely aware of the movement, but nobody knows exactly the size of it or the next turn it may take, and that makes for even greater uneasiness. The Central Trades and Labor Union Assembly of N City adopts a resolution condemning sweat-shop conditions, black-list practices, suppression of individual rights, and other misdoings prevailing in the mattress-making factories. The Assembly goes on record indorsing the efforts

of the workers in the mattress-making industry to abolish the inhuman, unbearable, and, above all, un-American working conditions in that industry. At this point, shop meetings are called. The people in the factories are aroused. The atmosphere is full of fight. Storm is in the air.

Mr. X, a prominent attorney in N City, enters the situation. Mr. X has made a fortune arranging painless divorces and reorganizing bankrupt companies. He is now a shining light in local civic circles. Mr. X comes out with a scathing denunciation of the deplorable state of affairs in the mattress-making industry. He says labor should be given a square deal. It is, of course, an irrelevant detail that Mr. X has some unsettled accounts with the Vice President of the Merchants' and Producers' City Bank, who is a controlling factor in several of the leading mattress-producing companies.

By this time the whole city is talking about the Consolidated and the campaign of unionization it is carrying on. Local opinion is divided as to the attitude employers should take toward the workers. Half-page statements by the Consolidated appear as display advertisements in the local papers. The reticent attitude of the city editors toward the news of the movement has been successfully overcome. A good deal of discussion of the matter has by now found its way into the press. The campaign of the Consolidated is news. It is breaking in on the front pages. The editorials of the press warn the people of N City that while the Consolidated may pretend to a 100% Americanism and that while unionism must not be objected to by generous-spirited citizens, N City and its prosperity must not be allowed to become a playground for the union game.

The workers are called out on strike. Most of them respond. In isolated cases, the key men remain at work. Of those who answer the call, several show shakiness. The union organizers are ready with relief money.

The police are called in to insure order. Courts are appealed to for injunctions. The churches take a stand for tolerance. Social civic bodies call special meetings to hear statements by both sides. The papers denounce the leaders of the union but print pictures of pretty girls, also of some very old men, active on the picket lines. The Consolidated supplies news; that can not be denied. The Central Trades and Labor Union Assembly

demands a thorough investigation of conditions in the mattress-making factories. The Women's Consumers' League directs its officers to call on the Mayor; they are received by his Honor's secretary, who looks rather serious but at moments smiles pleasantly on the ladies. N City is greatly agitated. The strike is in full swing. "Injunctions don't make mattresses," is the cry from the one side. "But police clubs break necks," comes the retort from across the line.

Mr. X talks in the first Presbyterian Church on "The Egyptianization of Free America." At the Business Men's Club the strike is roundly denounced. A resolution is adopted to investigate violent misdoings by the union. The president of the union insists that collective bargaining is the only workable basis for a modern industrial relationship, and that the union has felt most keenly about being forced to stop production in this fairest of all cities. However, the president of the Mattress Producing Consolidated Association really thinks that the union is fighting for peace and responsibility in industry by the only means at its disposal, which is the means provided by the American Constitution.

Good citizens are busy offering their good offices to the people for the consummation of an industrial truce, and their pictures to the press. The union welcomes every constructive suggestion that may lead to a resumption of normal relations in industry, meaning relations based on the recognition of the union.

The employers hold conferences to decide whether it would be wise to keep up the fight or to make terms with the union. The die-hards suggest that the headaches caused by the strike would seem like a peaceful Sunday picnic, when compared with the chronic headaches that would result from a contractual relationship with the union. There are moderates in the camp, too, especially among those with the weaker bank accounts.

The employers do not know. Some individual employers come out for peace. The bankers watch some of the employers. The union watches both.

4. Probable Results of the Two Methods

(a) The mattress manufacturers decide to increase the wages of their employees and consent to several other less significant changes in shop conditions. They are not, however, ready to

recognize the union. The strike goes on until the ranks of the employers are split, some of them signing up with the union, others stubbornly continuing in their opposition. Reinforced by partial victory, the union suspends the direct fight against the die-hards and vacates the scene for the time being, intending to come back at the first opportunity. Perhaps it is doing things on the quiet.

(b) Annoyed by the fact that they have become the "talk of the town," and primarily because orders have begun to slip out of N City houses and because some of the banks have become very impatient about notes due and overdue, the employers decide that N City is under no obligation to save the world for the open shop. In consequence, the union is recognized. The recognition, however, is only partial. The principle of the open shop is solemnly proclaimed by both sides. A rather complicated system of representative courts and tribunals is set up for the adjudication of disputes. The strike is over. Each side claims victory, the union less vociferously than the employers. The industrial conflict is off the street pavements, ready to take its seat in armchairs. No more fighting, only negotiation. The old thing, industrial democracy, is given a tryout. The industrial conflict has not ceased. It has put a full-dress suit on. Will the employers curtail the union's power, or will they be harnessed by the union? That remains to be settled by continued though peaceful fighting around the conference table. The union no longer occupies the columns of the press. It has entered the factories. It is no longer news, judged by the standards of the daily press. It is now a part of history in the making.

5. A Footnote

The organizing drive under the orthodox method centers attention on the workers. The employers are expected to surrender or to hold out. They are not reckoned with as active and flexible participants in the encounter of living forces. It is a one-track campaign and a relatively simple one. The drive under the sophisticated method considers the employers and the whole of the community as elements in a game which may be played from several bases at the same time. It is based on strategy and not at all a simple kind at that. It is led by a union fully aware of the interplay of social forces. It requires organ-

izers more sophisticated than those of the usual type and depends on human material and an amount of information and intelligence which may not be easy to find. It holds out the greatest promise, though. It differs from the old organizing procedure as modern warfare differs from ancient war experience. It is carried on by a union aware of the power-relations of our time. Whether immediately successful or not, the sophisticated method tends to make deep inroads into the social body and when successful, obtains a place which it will not easily relinquish; that is, if it knows how to hold the territory it has won.

CHAPTER VII

KEEPING THE ORGANIZATION FIT

Hypothetical Case No. 2

1. The Facts in the Case

Four Corners City is akin to Gopher Prairie. It has its Main Street, a number of newspapers, banks, churches, employers, women's clubs, and is respectable in every other way. Seven thousand people, mostly women, are engaged in the production of brass buttons. The International Brass Button Makers' Union had secured an agreement with the Employers' Association after a campaign in which various means were put to use—direct propaganda, diplomatic penetration, the threat of a strike, and in a few cases, an actual strike. The union organizers had convinced the employers that a union was a greater evil when it was kept out of the shops than when it was recognized and admitted inside. Certain influential friends of the union had, furthermore, converted some well-meaning individuals in the city to the view that civilization could not possibly proceed and remain what it was unless the brass button makers organized and worked under an Impartial Chairman and a machinery of arbitration, sanitary conditions, and the other conditions which are inseparable from twentieth-century trade unionism. So public opinion has been favorably disposed toward the union in Four Corners City.

The 7000 brass button makers at Four Corners City have been fully unionized. Conditions were improved as a result of organization, but not in a very striking manner. The organization had not yet been completely assimilated by its membership. Old allegiances still had the workers in their grip. The union felt that if an influential local paper or the church came out with a strong denunciation of the union, a good many members would be likely to doubt whether they should continue staying in.

The brass button manufacturers know of this internal weakness of the union's situation, and there is no telling whether or not they will attempt to cash in at an opportune time on the shaky loyalty of the members of the union. In fact, encroachments on union standards are continually made. A return to

conditions of the pre-agreement days is not unthinkable. The Board of Arbitration and all the checks and balances devised by lawyers and trade-union leaders to keep Humpty-Dumpty together may prove powerless to prevent a breakdown of the agreement. The union cannot keep employers down to the spirit of the agreement if the members of the union do not substantially back up the organization.

2. The Course of Business as Usual

The manager of the union and his aids make frequent appeals to the members to rally around the organization. The members are urged to come to the meetings. They are told that unless they take an active interest in the organization, the union will "go to the dogs." Dues-paying alone, they are told, is not enough. Occasionally a social gathering is organized with a view to cementing the membership of the organization, to knitting the members closer to one another. It is all to no avail, however. The people remain indifferent. The attendance at meetings grows thinner as time goes on.

The manager and his staff appeal to the general office of the union, and aid comes in the person of a well-known officer, who descends on Four Corners City to put "pep" into local affairs. "Pep" is supposed to evolve from the imported officer's glowing accounts of the loyalty and devotion and the enthusiasm which prevail among the members in other cities, and of the rewards of those virtues in the form of improved conditions of labor. Curiosity or awakened interest attracts a larger attendance, but the union cannot thrive on occasional injections of enthusiasm. The members make no significant appearance. They remain cold when they do come. There is always the weather on the meeting night that is conveniently blamed, or the visiting opera, or the baseball game. Perhaps, at the bottom of it all, there is the unfortunate fact that the meetings fall on Wednesday, which is beau night, and there are so many girls in the union. There is, however, no power in sight that would change the make-up of the union membership, and—there seems to be no way out.

3. The Method that is Different

The union heads know that the average person does not find great delight in sitting through a local union meeting, and that

to the average member even radio music is more attractive than union managers' reports. The union heads have learned that the greater objectives of the movement, the issues of power-accumulation, somehow get lost behind the dry-as-dust details of business organization, committee appointments, reports, officers' admonitions, and the hifalutin buncombe delivered on occasions by a visiting national Billy Sunday. The members fail to conceive of the voice of the recording secretary reading off the minutes of the previous meeting as the voice of the prophet, and of union dues stamps as the foundations on which the temple of the coöperative commonwealth will rise. In fact, not many members are sure that they want the coöperative commonwealth. Their own preliminary to the kingdom of heaven on earth is a brick house uptown—a one-family house, or preferably a two-family house, so that one apartment may be rented and the rent applied toward the paying off of the second mortgage.

The union heads know, further, that deploring the fact that the membership consists largely of women will not do anybody any good. That fact, like all other facts, must be taken into account, and made the most of. And so they have pragmatized the situation into a matter-of-fact conclusion: *We are not going to invent another membership, and if we mean to have a workable and effective union, we must make the members keenly aware of the functional significance of the union to their lives.*

The heads decide that the union must go after the members, since the members decline to follow the union. For the two cannot go on unless they stay together.

A carefully chosen Committee on "Activity," after it has examined all the lines along which the interests of the members run, brings in a report which is taken into account by the Executive Board. The report suggests the following:

a. That a relatively small number of people are socially minded. They seem to be capable of great loyalty to the organization and active interest provided their confidence in the social function of the union is sustained.

b. That as most members are likely to manifest an active interest in the organization provided they believe that the union is essential for the improving of their living conditions,

it is important that the union's material usefulness be properly emphasized and made visible. Union loyalties cannot rest solely on past performances. Union members do not think backward.

c. That the majority of the womenfolk appreciate social gatherings, dances, parties for children, and the like. The union should see to it that members get what they want.

d. That a good many among the middle-aged people would appreciate a credit organization to take care of a variety of their domestic problems, such as home-building, coöperative buying of coal and perhaps groceries, occasional small loans. It is good for the union that the members secure such services within the framework of their organization.

e. That there is a general impression that educational work would prove helpful if only "it weren't highbrow." Education must be made easy.

The union proceeds to see its revivalist program through. An educational director is secured. He is a seasoned radical. His job is to test some of his radical theories on Four Corners City realities. He proceeds to establish a working harmony between the interest in a basket-ball team and the higher uses of a social-problems debating club. For he knows he must get the people. The lecture-concerts that he is arranging are jazzed up a good deal. Clergymen are invited to debate religion with atheists; a National Security League man meets a revolutionary socialist in debate. Music is given a part in the program, and occasionally an unsophisticated playlet is staged, or lightly concocted vaudeville numbers are given in which younger members of the union are induced to take part. And alongside of this effort at mass education and social and recreational activities, a few classes are conducted. History gets its chance as does public speaking, and English composition, dramatics, and a course in Shop Economics Made Easy. Several balls and a number of festivals tacked on to significant union dates are another addition to the educational program of the union. A number of parties for members' children on Christmas Eve, Lincoln's Birthday and several less pretentious dates follow. A general May-Day celebration winds up the educational activity of the season. Members read elaborate reports of the educational doings of their union in the

local papers and are proud. An occasional mention of the names of their union officers and active workers adds to a growing feeling that there is dignity in belonging to the union. It is like being of the Smart Set.

A credit union for members of the International has been authorized by the State credit bureau, and a number of the more ambitious union folk delight in their brand-new "banker's duties." To the credit operations, such features as mutual aid functions, coöperative coal buying, and insurance are added. There is also talk about forming a building and loan association to help families who want to build homes by granting them loans at a moderate interest rate and without oppressive bonuses. The 7000 members of the International in Four Corners City, it has been calculated, offer a sufficient constituency for the realization of the group's ambitious plans. In consequence, there is more bustling ahead, a drive for new members; captains and lieutenants are appointed, a banquet for the active crew is given on a "Dutch" basis. The people are all up and doing.

Simultaneously, the union heads are making efforts to relate the brass button makers' organization to the rest of the organized labor movement in the city and throughout the country. Instead of merely talking about labor solidarity, a concrete method is used. The union employs the object method of education. A textile strike in a near-by city is embraced for the purpose of illustrating the interrelationship of all labor in a simple but telling way. The Executive Board proposes a voluntary assessment of thirty-five cents per member for the Children's Sustaining Fund of the Textile Strikers. No money contribution is asked for; thirty-five cents is the equivalent of one half-hour of work; so the brass button makers are asked to work an extra half-hour Saturday after regular hours are over. The measure is carried, not without opposition. A number of people do not see why that strike is "any of our business." But once the measure is adopted, the union proceeds to see the matter through. A delegation of children, and younger folk from the ranks of the strikers, appear at a general meeting of the organization, specially called for the purpose. Pictures are taken. Flowers are used to add color to the occasion. A poster series is used to illustrate the raising of the fund, showing how hundreds of dollars grow out of quarters and dimes. Speakers point to the significance of collecting the

solid sum of $2000 out of the free half-hours of the workers. The speakers emphasize what the many can do when they band themselves together for the execution of a common task. Sentiment waxes warm.

Later, when the money is raised, a large delegation is chosen to deliver the contribution to the strikers. A car-load of food supplies precedes the delegation. There follows a reception in the strikers' meeting hall, speeches by everyday people, thanks, flowers again. The links have been joined to the rest of the chain.

The case of aid to the striking textile workers does not remain isolated. The union decides to send delegations of the Four Corners City brass button makers' organization into the other unionized centers of the industry. They proceed to see how things are done elsewhere and to report findings. While the delegations are visiting other cities, they look into other union offices, too, where they meet other union representatives, are told of strivings and hardships, are complimented on the achievements of their own organization. A good many Four Corners City members take part in these excursions. They are chosen as nearly evenly as possible from the different local units—men and women, younger and older folk, foreign-born and Americans. They come back; they report. The national union press reports doings. There is new life in the organization. A growing intimacy takes the place of the vanishing indifference. The local meetings are interesting. Not infrequently the manager feels obliged to remind some enthusiasts that "this ain't no general union picnic." It is business. And so it is.

Reports from shops and of arbitration doings are now listened to more closely. So many members have learned to speak up. They ask questions. They want to know. They take things seriously and show an active participating interest.

As the convention of the international union comes nearer and the union press develops a lively discussion of national industrial issues, the people in the Four Corners City organization find themselves in the swing. Nobody suggests any longer that the manager appoint the delegation. There is an animated campaign on, active electioneering. Resolutions are proposed, debated, adopted, defeated. "This is our union, and we have got to have a say in matters, haven't we?"

A group of members come forward suggesting new demands on

the employers. And they are not pleased with the impartiality of the impartial chairman's office, either. Somebody, somehow, lets drop the phrase, "The industry is ours." It seems to have caught fire. Hands? We—hands? No, thanks. Not any longer. We make buttons; they sell them. We are partners, but we don't get a square deal. Here and there a discussion of the real business comes up. The manager's report not infrequently refers to general market conditions, production costs, wasteful management of shops, and sales. These former abstractions have now become tangible realities. Not very many members are fully conversant with matters, but they all seem to know that this is their business, their bread and butter.

Under the "new state of mind," the administration no longer complains of lack of interest on the part of the members. Members are now pressing greater demands on the man in charge of the organization; he is not so eager about this activity. They seek to secure greater satisfaction from the organization. They are no longer accused of apathy toward the affairs of the organization. It is not impossible that the leader of the union now worries over the fact that his people come to meetings too often and in numbers too great to be managed. The members are becoming too exacting. The manager not infrequently regrets the good old days when life in the organization was quiet and things ran smoothly. A new problem arises. The development of an active and perhaps influential opposition is looming big.

4. A Footnote

The activity described in the preceding paragraphs is not likely to be the outcome of spontaneous inspiration. Time, skill, patience, and imagination are the means that must nurture them, and a keen sense of realities is the basis on which the success of the procedure may be built. It will take more than routinized administration to "make a go" of the complicated plans indicated. But managing a large body of people is no child's play. The activities described in this case are likely to lead to a point where "constituted leadership" may be submitted to an acid test, but that is in the nature of things. If leaders have heads they may as well be prepared for headaches.

CHAPTER VIII

AUNT JEMIMA'S STRIKE RECIPE

Hypothetical Case No. 3

A railroad line runs across the Eastland Valley. A dozen small towns are touched by the line. The railroad carries coal in one direction and farm products in the other. The railroad feeds the towns, connects them with the outside world. These towns are peopled by God-fearing Americans of the everyday kind. Social life in these towns runs true to form. Three churches, a moving-picture house open twice a week, ice-cream parlors as places for social rendezvous, sewing circles as depositories of domestic virtues and inter-domestic gossip, the K.K.K. for diversion and to combat ennui, local newspapers in one or two cases appearing daily, and three meals a day seven days a week—these are the elements of normal living in any of the towns along the tracks of the Eastland Valley Railroad.

Peter Burns of national fame is a leading stockholder of the Eastland Valley Transportation Operating Company. He owns the coal mines which feed the railway line. He takes no active part in the business, however; he is occupied with larger matters. Humanity as a whole is his playground, God his special concern.

The railway engineers had gone on strike. Long months of bickering about revising and reclassifying grades and schedules had proved of no avail. Efforts on the part of the union to avoid a strike had failed. The company was obviously out to force a strike. The union at last issued a strike order affecting over six hundred people. The local company management seemed determined on a show-down policy.

The union appointed a committee to wait on the company. The delegation was denied a conference. The union appointed committees to wait on the mayors of the various towns along the railroad line. The mayors received the union delegations. The union appointed representatives to state the case of the strikers before various church congregations. They were accorded the pulpits for factual business statements. And the ministers had

also asked the company to send representatives to state the case for the railroad executives, but no answer followed. The union men made it plain to the people that if business was suffering, the company and not the labor union was to be blamed. There was no desire on the part of labor to strike, but there was no choice left them.

The Eastland Valley Transportation Operating Company met with no difficulty in recruiting strike-breakers. Old employees, at one time or another discharged for incompetence, drunkenness, and similar offenses, were received back into service, and with increased pay. So trains were moving on, even though with jerks, bumps, and a liberal quota of accidents and man-killing. The company announced that business was going on as usual. The company was not affected by the strike of its men.

The union watched the company carry on. Appeals to the public were impressive, but failed to achieve tangible results. The company was concerned with the business end of the situation. The receipts fell not very far below those of the pre-strike days, and so the company saw no reason why it should revise its strike policy. Strike-breakers were running trains even though time schedules were utterly disregarded. It was annoying but not so very important that neighboring hospitals were kept busy and undertakers more frequently called in than before the strike. The company was fighting for the principle of individual freedom, and it thought that in the long run the fight would pay. A few more or a few less injured would not matter, if the company succeeded in crushing the life out of the union. The fight went merrily on.

As a matter of fact, the union did not remain inactive. It did all it thought it could do. It paid benefits to the strikers. It placed a number of strikers in other jobs. The strikers assembled every Saturday morning in a meeting hall near the local offices of the Eastland Valley Transportation Operating Company and marched by in a body to the local City Hall, from which they retired to their homes until next week, then to do the same thing over again. Such public demonstrations were carried on in all the towns in the strike zone.

The union made another move. General headquarters detailed an experienced officer to handle the situation. He was doing well, indeed. One day he reported particularly significant progress, and a sense of relief was felt at headquarters. Union officers looked

hopeful. The cause was rather unusual. The general headquarters man had for some time been after Burns, the largest stockholder above referred to, of the Eastland Valley Transportation Operating Company. The union officer felt certain that there would be a change in the situation if only he could place the matter squarely before Mr. Burns. One of the secretaries to Peter Burns thought he would be able to call the chief's attention to the matter if there were sufficient and convincing proof that the community at large was interested in the strike and that the strike was harming the community. The secretary to the great man even suggested that resolutions by the boards of trade and the chambers of commerce of the affected towns would be just the right sort of proof. Also, press editorials and notices, one of the secretaries thought, would be likely to impress Mr. Burns.

The union official went to work and a number of chambers of commerce and boards of trade were induced to pass resolutions reciting the inconveniences to which the people were put by the strike. The resolutions, of course, steered clear of blaming any one side for the "sad development." Some of the local newspapers printed editorials to the same effect. And a number of people wrote to the local editors expressing a fervent hope that "some way satisfactory to all concerned may be found to adjust the deplorable misunderstandings." The union officer, equipped with the material, went down to Mr. Burns's office and secured a luncheon appointment with an even more important secretary than the one he had previously spoken to. That appointment was for nine days later, but there was hope all over the officer's face.

The union did not rest at this important beginning. A prominent friendly preacher from New York was induced to come down to Friars' City along the Eastland Valley Transportation line and to speak to the people of that community on the Ungodly Attitudes of some Holier-than-Thou Men. It was further rumored that a third-rate Congressman of the neighboring State was considering, even ready to make, a speech in Congress, in which he would point to the state of affairs in the Eastland Valley region and suggest an investigation.

The luncheon of the union official and Mr. Peter Burns's secretary went off successfully. The preacher came and went. The Congressman did not quite carry out his promise, but he said he

was friendly. Mr. Peter Burns, so his secretary said, could not possibly be burdened with the consideration of the strike situation. His calendar was well filled for some six months to come, and he was about to leave on an incognito trip across the continent in a special car with his two older boys; they ought to know America at first hand, don't you see. The union officer could readily see the point. In fact, he could see nothing else.

There is no record of how the strike was eventually settled. By 1931, the company was quite ready to close the old feud. Most of the strikers had by that time fallen out of the field. Several had had their heads split by scabs. Those of the strike-breakers whom the company did not have to eliminate because of the mischief they did had died of drunkenness. New men were taken on. The union was almost gone. The company had no interest in fighting a memory. Mr. Peter Burns eventually advised peace without vengeance and the press praised the great benefactor.

The strike had run true to form. The union had acted as the law-abiding body it had always claimed to be. The company was morally wrong, so the preacher from New York had said. And the girls who listened to him had all agreed to what he said, and noticed the curve of his nose. But by this time, the girls were no longer flappers. The romance of the mince pie had absorbed them.

CHAPTER IX

STRIKING TO WIN

Hypothetical Case No. 4

Midvale and Louisville are neighboring cities in Indiana. The A-One Silk Shirt Corporation runs factories in both cities. The shops in both cities have been unionized. The company has been operating under a general market agreement with the union. The strength of the union is not the same in the two cities. In Midvale the union has had a firm hold on the workers in all the shops. Not so in Louisville. There the union's grip has been weaker, though all the workers have been paying dues, voting in elections, and fulfilling other formal union functions.

The strike, according to the union, was forced on the workers. The firm, so the union representatives claimed, had no right to abrogate the agreement because of some minor claims. The union would have been willing to look into the case and make all necessary and fair adjustments had the firm made it clear from the outset that it meant to continue doing business with the organization. But it was quite evident that the firm meant nothing of the kind. It was out to quit the regulated collective relationship, and the complaints were but an excuse and a smoke-screen for its intended return to the open shop. So the union called the strike on the issue of union recognition.

The strike order was issued in both Midvale and Louisville. The workers in Midvale responded wholeheartedly. The strike was immediately and fully effective. There were no strike-breakers among the workers, and the company made no serious attempt to get any on the outside. The factories were completely tied up. Partially successful efforts to secure an injunction against union pickets did not materially change the situation. The strike was a test of endurance. The union was prepared for a long siege. The company had great confidence in its own financial resources. It hoped that the Louisville shops would break the union's resistance.

The workers in the Louisville shops of the A-One Silk Shirt

Corporation were members of the union. They were not altogether "regular," though. "War babies," they were dubbed by the union organizer, this meaning that the workers and the firm in Louisville were maneuvered into the union during the war when unionism was government-made. Somehow or other the workers in the Louisville shops of the A-One Silk Shirt Corporation failed to develop into mature trade unionists, and the firm, aware of it, counted on licking its Midvale workers and the union by way of Louisville. The union knew this much, and the fight centered around the Louisville shops.

Not all the workers quit work on the strike call. Some had decided to stay on. Others were hesitating until they were met by committees of the union, after which meeting they were convinced that they would have to strike. The firm at once secured enough strike-breakers to retain a skeleton structure in the shops. Work was going on on the inside, active picketing developing on the outside. Since the strike had started in June, there were a number of college students available who thought this a good opportunity to make a few dollars and to gain an insight into the realities of industrial life. The factories looked busy, and the company's publicity department turned out cheerful statements. It was important to keep out-of-town customers and buyers confident of the firm's ability to make prompt deliveries for the fall season.

The Associated Shirt Makers' Union was cognizant of the fact that it was up against a powerful concern which was determined to win the fight. It was clear from the outset that the strike situation would have to be met on its own terms. No stereotyped procedure would do. The firm was intrenched behind a drastic injunction issued by a Louisville judge whose election had been financed by the corporation. There were strike-breakers. There was aggressiveness on the part of the firm. The rest of the market was watching the struggle. Should the union lose to the A-One Silk Shirt Corporation in Louisville, other firms in other cities might have a tale to tell. The union could ill afford defeat. The union was thinking hard. Plans for a fight to a finish were laid out in the union's inner council.

The Associated was not what may be described as an orthodox union. In its younger days it had more than once sinned against the established economic and political morality of the older fra-

ternity. In some ways it was more radical than most of the unions were or seemed to be. In other ways, it acted on very conservative patterns. It ran its political and industrial lines along tracks neither radical nor conservative. A pronounced realism was characteristic of its procedures. In the strike against the A-One Silk Shirt Corporation, the Associated was aware that it had an adversary of no mean size and that conventional goose-stepping would get the organization nowhere.

What did the corporation do? It forced its workers into the streets. It used its money to buy an injunction, to hire police protection, strike-breakers. It influenced the pulpit and the press to attack the union, in order that the morale of the strikers might be destroyed, and their unity, essential to victory, demoralized.

What was best for the union to do in the face of these circumstances? To be sure, it might have appealed to the solidarity of the workers. But the other side did not confine itself to empty sermons on Americanism and freedom of individual contract, whatever the respective antidote to labor unity is. The employers called in the strike-breakers, the sluggers, the judges, the police, and the politicians. Obviously, the union must act with equal effectiveness or be demolished. The union could not confine itself to editorials and speeches as the means of winning the strike. Of course, it wanted the loyalty of its own people. Of course, it was concerned with the good will of all the people in the city. But the firm was destroying the material basis of the strikers' lives, undermining their health and the well-being of their children.

The man in charge of the strike asked himself the question: Why does the company get the police to connive at the rough work of its hired thugs? He answered his own question: Because the appetites of many a police officer exceed his salary. But there are many such officers in the field. The police under certain stipulations may be expected to be as friendly to union dollars as to company dollars. All dollars bear the same legend: In God We Trust. The company has been hiring the thugs to beat strikers, and the "cops" to shut their eyes to the sluggings, to interfere with their peaceful picketing, to provoke arrests, all of which is contrary to law, even though true to form. Well, the union need not do anything of the sort. It will hire the " cops "

to do just nothing, or—pay them a little extra so that it may pay them to do their duty. The company's attorneys induced local magistrates to impose big fines on pickets, send them to jail. The magistrates were obviously wrong. There was no justice in bleeding the strikers white. No justice or fairness at all. Only political expediency. But expediency is relative. A judge may change his mind.

A trusted man went to see a friendly sergeant who knew the private address of another public servant. An appropriate hand-out neutralized the cops' high zeal. Strikers were no longer clubbed. Only at times, "for appearance' sake." A workable arrangement was made with the local magistrate. Under the arrangement fines were not to exceed a reasonable limit and jail sentences were not to be rushed. The go-between was to see his Honor again next week.

However, strike-breakers were at work in the shops. There were not enough of them to do all the company's work, but enough to hurt the strike. The company was offering pay much higher than the usual union rates, and nobody stopped to worry about output. The head of the union's department thought: Why not give our own people an opportunity to do a fair day's work for a decidedly fair day's wage? Cutters were needed and pressers, too. So headquarters in several towns were informed that so many dependable cutters and a number of reliable pressers might accept strike-breaking offers. They were given instructions as to how to proceed. To facilitate matters, a proper strike-breaking agency was set up in Louisville, and an authorized agent proceeded to the cities from which those union-made strike-breakers were to come. It was not long before a number of union people, acting under orders, entered the factories of the A-One Silk Shirt Corporation.

The company heads were in high spirits. Shops were turning out work. The new hands were not green. They seemed to know how to go about their work. Output increased. The shipping department got busy filling orders. The union on the outside did all the picketing that the pending injunction allowed them to do and scolded the company to its heart's content. The officials offered good drinks to the efficient strike-breakers, no hooch, either.

But curious letters began pouring in from a number of cities. Somehow or other most of the shirts happened to be put

together in a queer sort of way. Where one sleeve wasn't longer, the other was shorter; the collar was invariably too tight and the neckband a size or a half its own junior. The matching of colors was rather impressionistic. And dealers were enraged at the carelessness with which their orders were filled. The company seemed to have been bent on sending things nobody wanted.

Clearly the amateur hands were at fault. So the regular strike-breakers were discharged; only the hands last engaged were retained. The agency was called in for further deliveries. The agency thought a raise of pay was necessary, if enough shirt cutters and operators were to be secured, since the season was approaching. Well, the company agreed; it had to. It certainly meant to make headway in the fight on the arrogant Associated.

The labor cost is a relatively small item in shirtmaking, and the firm could well afford the increase. Not that the firm did not have a solid overhead. There were the foremen, for instance, some fifty of them, well paid, quite well. They were needed in a way, though. In time of trouble these fellows could take to work, they could direct inexperienced help. But, curiously, something queer happened to these foremen. Twelve of them, almost all solid, reliable men, in the employ of the company for quite a few years, suddenly walked out of the shops, in a body, as though they were strikers. And then a fight started on the main floor of Factory A, in which the regular strike-breakers, it seemed, acted the nasty part. The union raised its head. So that new agency was again called. Wages were raised another bit. A cheerful statement was made to the press, and a friendly judge, who had just returned from several weeks' trip with a vice president of the company, issued an improved injunction. The strike went on. Work in the shops went on, too.

The union on the outside did not rest. It managed to turn public opinion to its side. Editorial writers in local newspapers were no longer certain that the strike was really nothing but a case of lawlessness against Americanism.

Several prominent citizens suddenly realized that if the strike lasted long enough, the nation might have to go without silk shirts. The governor of the State was approached. The governor, a man of senatorial ambitions, thought that his intervention in this strike, with all the attendant publicity, might do him some good in the city and might be played up out of town.

There was another detail, seemingly unrelated, which did, however, add to the complexities of the situation.

The junior son of the acting vice president of the company was of a religious turn of mind. He used to frequent a chapel a block or two away from the factories. He would retire to that chapel whenever an opportunity came and sit there in contemplation. The strike stimulated frequent calls to the neighborhood church. He liked to meditate there on the injustices of a system where a bunch of ignorant workers, mostly foreigners, were allowed to interfere with a legitimate business enterprise and to inconvenience a regularly constituted corporation.

At his calls at the chapel, during the strike, the junior noticed a young blonde woman, a native American who, he thought, came in to pray or to rest. That happened, he noticed afterward, around the lunch recess. He learned she was Miss Y.T., at one time a Y.W.C.A. worker, who now worked as a shirt operator. An intelligent person she seemed to be, neat and good-looking, and naturally enough, the acting vice president's son thought Miss Y.T. might be quite useful in the office. She knew shorthand and filing, she told him, and could take care of other office details. Miss Y.T. did not consider it important to tell the chief that she was also organizer for the union and was strike-breaking on orders. In a few days, after her transfer to the office, about the close of the ninth week of the strike, Miss Y.T. thought she could no longer stay on the job. The religiously inclined blonde left, and some important papers from his office files disappeared, too. Most likely, they were filed wrong. A new hand. However, the firm remained without records of shipments made, orders, and other papers quite essential to the distributing end of the corporation's business.

That happened shortly after the exodus of the twelve foremen. All this spelled further demoralization of the business. Local dealers threatened to cancel all orders if there were no immediate improvement in both management and workmanship. In fact, there were no office records any longer to be had of work done or to be done. And the trade press rumored increasing orders in a neighboring shirt market. A hurried call summoned the Board of Directors of the A-One Silk Shirt Corporation, and next day the president of the company agreed to meet the union head in charge of operations at an uptown hotel.

There was no indulging in undue dramatics.

The president said dryly: "I will sign your accursed agreement, and you see that I get the records, real workers, and work. You may keep the foremen, nor have I use for these polite scabs of that new agency."

The union head was not certain that he knew anything about the papers or the foremen. He thought, however, that he might try to find out, and he added: "Your business is in a pretty messed state, Mr. ——, but I suppose we will have to put you in shape again. We want good-size employment for our people and on union terms, of course."

Footnote to Hypothetical Case No. 4

National trade-union officers who investigated the conduct of a rather prominent strike in a great city during 1926–27 made the startling discovery that police officers, in fact a whole precinct, were receiving bribes from a local union in return for protecting union members against thugs hired by the employers. Later, hearings were arranged before a local magistrate, and his Honor found that it was all a sad mistake. The police in that city were incorruptible. The local union officers, who, it was claimed, had stated that they spent a good deal of money to bribe the police, later said under oath that they could not recall ever having attempted to bribe police officers or having said that much. They surely would have been bad insurance risks, had their memory not failed them.

CHAPTER X

THE ISSUE OF CLASS-COLLABORATION

1. Peace and War in Industrial Conflict

An Introductory Note to Hypothetical Cases Nos. 5 and 6

The old adage, one man's meat is another man's poison, or its equivalent in trade-union terms, what is good for the employer is bad for the worker, was expressive enough of orthodox union truth until the advent of the mechanical revolution. In face of the complicated industrial realities of the post-war days that truth proves somewhat too stiff, not flexible enough to make rigid adherence easy. The daily experience of wide-awake unionism puts orthodox union truth into the class which the proverbial "man in the street" describes as true in theory but wrong in practice. To be sure, the man not "in the street" knows that nothing is "true in theory" if it is wrong in practice. Reality is the mother of theory; the two may have misunderstandings but must not disagree. Thought eats out of the hand of experience. The old-line union attitude is obliged to abandon the straight and narrow path if it is to cope with the vicissitudes of the new industrial dispensation. This discrepancy between old-line union truth and the reality of today is met if the formula of truth is made to read: what is good for *all* the employers is bad for *all* the workers. In individual cases things may work out differently.

Labor and capital respectively contend for a progressively increasing share of the proceeds of industry. Labor makes employers' profits possible because what it receives in return for its work is less than the value added to raw material by the application of human labor. When labor succeeds in increasing its wage, the increase is charged to the consumer, which means to labor, since labor is numerically the largest consumer and spends most of its earnings on consumption. A conflict of interests between labor and capital is thus a part of the existing social relationship. It is not impossible, though, that in specific cases and under not very unusual conditions, the workers of an industrial establishment might find themselves vitally interested

in stabilizing, if not increasing, the employer's share. If the employer should find himself in danger of losing business or of being obliged to quit business because he could not meet competition, his workers might be ready to compromise their issue with the employer. This they might do in two ways, either by agreeing to reduce their own wages and thus lowering the costs of production, or by achieving another arrangement whereby the workers retain their earnings but help reduce production costs. With no union power at their disposal, workers will most likely be obliged to reduce their earnings. If a strong and, what is equally important, an *intelligent* union is in the field, production costs will be reduced through improved management rather than at the expense of the workers' earnings. The issue of production costs figures prominently in almost every wage dispute, and labor organizations are obliged to take an active interest in industrial and business problems. They find themselves concerned with methods of production and distribution, with problems of marketing and management generally. Labor can not safely participate in collective bargaining and other negotiating conferences unless it is well equipped to meet employers in full and effective armor. The union intelligence that counts is a thorough acquaintanceship with industrial processes, technique, market conditions, etc. This kind of union intelligence is a valuable national asset and is the foundation of the union's social power, to which reference has been frequently made throughout this discussion.

2. Keeping the Wolf from the Employer's Door

Hypothetical Case No. 5

A large tool-making concern was doing business in Athens City over a number of years. Close to three thousand persons were employed in the shops of the firm years ago. In recent years the firm found itself threatened by keen competition in the out-of-town trade markets. The volume of business the firm was doing decreased. It no longer employed three thousand persons, and eventually it went into bankruptcy. A receivership was established by bankers in the city, and for a number of years operation was carried on with practically no return on the invested capital. A survey made by the bankers in control of the concern disclosed the fact that while it was really sol-

vent, its business operations held out no promise of improvement and profit. The creditors counselled liquidation which would release the money tied up in the business. The head of the firm was anxious to continue, primarily because of the social standing the headship of the business gave him. Without a sufficient profit, however, the indebtedness of the firm could not be cleared up, and the bankers would not let things drift profitlessly.

A number of small concerns, too, are doing business in Athens City, relatively few of them working with the union. The big firm is the mainstay of the union's strength in the city. The line of tools manufactured in Athens City is similar to that manufactured in the largest tool-making center of the country where the union exercises full control. If the bankers' proposal is to be materialized, the shops of the firm under discussion will be dismantled and the machinery sold for what it may bring; a number of smaller business enterprises will most likely spring up on the ruins of the old house. The two thousand persons at present in the firm's employ will have been thrown on the streets of the city, each one of them compelled to seek employment wherever and on whatever terms he can secure it. But there is not enough industry in Athens City to absorb most of the workers who will lose their jobs. The consequent scramble for jobs in the other tool-making establishments of the city will inevitably lead to a general lowering of union standards and work conditions. And with industrial standards upset in Athens City, the general condition of the industry in the other well-unionized markets may be seriously challenged.

The union's alternative is either to let matters run the course shaped for them by circumstances over which they have no control, or actively to interfere with that course in order to save the situation for the workers. The union decides to keep the firm in business as long as it will be possible to do so without paying too high a price for the firm's continued life. The task is not easy. The union in Athens City may live to tell the story, however, if its efforts prove successful. If it does nothing, there will be no story to tell.

In order that it might continue in business profitably, the firm had demanded either that wages be drastically reduced or that it be allowed to discharge a considerable number of workers.

Against this demand of the firm the union seemed powerless. Not even the hottest heads in the shops had advised a strike. The financial advisers and supervisors of the concern would have welcomed a strike initiated by the union. That would have given them the desired pretext for liquidation.

The union, not being one of the kind that is irretrievably committed to trodden paths, has its experts go over the entire business. They find that the concern is inefficiently managed. A large supervisory force has been kept on the pay roll because of nothing but inertia. The management has been carrying a selling force out of all proportion to the shrunken condition of the business. The great inefficiency of the management end has resulted in inflated costs of production.

The union investigators recommend considerable curtailments in the management end. They also allow the firm for a time, at least, to achieve a shifting of quality work from higher to lower scales, which is bound to result in further reduction of production costs. Both measures tend to put the firm on a competitive basis. It is given a new lease on life.

But another year passes, and the firm is in difficulties again. The banks have renewed the old demand for liquidation, since continuous operation has not led to a reduction of the indebtedness. The firm "passes the buck" on to the union. This time it suggests that the workers buy a considerable amount of the company's outstanding stock in order that the cash thus realized may be turned over to the creditors. The purchase of a part of the company's stock by the workers, while at bottom not a risk—the union's accountants have examined the company's business again and found it safe though not profitable—is a wage reduction in disguise. The workers will have to pay for their purchased share in the course of two years, in weekly deductions of 5% from their wages. In a way, that is better than an outright wage cut, since the workers will receive an equal nominal value in shares of stock for their weekly 5% wage reduction. But the union has never favored stock purchasing by employees. It has thought that sort of participation in the employers' business an impediment to trade-union progress. However, it gives the proposal tacit acquiescence. The firm continues in business. Its working force is reduced, however. It now employs considerably less than the two thousand it has employed until recently.

Will the firm survive? That is hard to tell. It may. And it may not. The efforts of the union in the direction of reducing labor costs and the elimination of waste are naturally limited. Labor, however important, is only one element in the business enterprise. The efficiency or inefficiency of the management, its ability to organize a proper sales force, and its skill in handling finances and marketing, are all of significance and will affect in the final count, the fate of the enterprise. The union's efforts may not prove the decisive factor in the final solution of the problem. If, however, the firm is tided over its difficulties, the workers through their organization will have contributed a good deal toward saving it. For the time being they have saved their jobs. If the firm gains strength the workers and their union will have become too strongly intrenched in the business not to cash in on their sacrifices.

The alternative of this policy of collaboration would have led to unemployment, or what's worse, to an open-shop situation. Having employed their organized strength for the benefit of the employer and in a measure to their own disadvantage, the workers will know that their organization had done what it could do to safeguard their jobs and incidentally the interests of the workers in the other markets.

3. Cheaper and Better Pants

Hypothetical Case No. 6

They used to make pants in Bismarck and a good living into the bargain. Bismarck became the national center of pants-making. Not that the nation would have to don knickers if Bismarck disappeared from the map, but pants-making in Bismarck was as lucrative a job as that of a plasterer in Brooklyn. And then—matters took a turn. Maybe that security had led to sluggishness and inefficiency. Homestead, even a bigger city than Bismarck, appeared in the pants firmament, but it was not so very long before the pants-makers of Bismarck cried out to heaven. They were still receiving a higher rate, probably from 20% to 25% more than the rate elsewhere, and just this proved a boomerang. There was not enough work to make a living wage at the rate received. Rumors had it that at Homestead, pants-makers were receiving nominally smaller pay, but they earned more; and that is what counts.

Conferences between the union and the employers resulted in a decision to look into the Homestead industry. To that end a Joint Committee was appointed, both sides agreeing to consider whatever findings, conclusions, and recommendations the Committee might submit in consequence of its studies.

The Committee went, came back, and reported that there was no hope in Bismarck-made pants unless the industry was willing to mend its ways. The report called for a thorough overhauling of the entire business. Production and marketing were to be centralized. The small factories were to be turned into a concentrated copartnership, under a general administration that would eliminate waste, inefficiency and duplication of processes, salesmanship, and management. Such reorganization of the pants-making industry would necessitate certain painful readjustments on the part of labor, but the union was willing to do its share toward the regeneration of the business. Not so the employers. While at a conference of the two sides the report was approved, no action followed. While it was obvious to all concerned that Bismarck would regain its old place in the industry if placed in a position which would enable it to compete with Homestead on equal terms, every small employer privately cherished the fond hope that some day, perhaps, competition would weed out his weaker neighbors and leave him conqueror in the field. Really, history could not be so cruel as to make impossible a Napoleon in pants. The merger was not materialized. Whether wages were cut further or not, the pants-making industry in Bismarck went the way of all flesh.

The union in this case was in earnest about coöperating with the employers. It sought this coöperation not because it so loved all nice things. It wanted to restore the earning capacity of its members to former prosperity levels. Moreover, as the union was operating at Homestead and all over the country, it wanted to prevent cut-throat competition between Bismarck and the other markets. The national union with which the Bismarck division was working in close coöperation was anxious to help Homestead get on its feet. Members of the union in all union cities are entitled to equal protection.

Had the Bismarck employers accepted the recommendations of the Joint Committee of the industry, their total gains and their individual shares in the gain would have far exceeded the

gains that would have gone to the workers. Steadier work was the greatest thing the workers could hope for; to the employers the reform was sure to bring a prosperous business. The union, not the employers, proved ready to do everything in its power to achieve the reorganization of the industry. For this is the task of a union in a competitive industry. The union may have no sympathy at all for the competitive system, but since it is unable to undo the system, it seeks to alleviate its most disturbing evils. The union works toward the equalization of each competitor's chances, provided they all treat the union with equal fairness. The union is concerned with keeping manufacturers in business solely because it is interested in keeping the union members employed. In the given case, as in all similar cases, the workers' earnings were dependent on the employers' doing a thriving and profitable business.

If we put aside for the moment the issue of class-collaboration, it will be interesting to note that by the prosecution of these selfish "class" ends the union really sought to achieve a community service, namely, the stabilization of an industry within the community.

4. Issues Behind Words

What Hypothetical Cases Nos. 5 and 6 Suggest

Class-collaboration is a term much used in socialist and communist literature. The two cases just considered are obviously in point. Labor organizations are charged with class-collaboration if they coöperate with employers or management in efforts leading toward increased production, elimination of waste and inefficiency in management, or aiming at such other changes and industrial practices as will make or tend to make the employers' business more profitable. This charge against labor organizations, at bottom, and regardless of the terminology, is tantamount to an accusation of the labor organization of trading with the enemy and lending aid and comfort to the other side while a state of war exists between labor and capital.

Present-day society is a house divided against itself. This point of view, strongly emphasized by socialist theory, is very often shared by trade unionists. Capital and labor are battling for social supremacy, and there can be no reconciliation between the interests of two groups unless one voluntarily surrenders

its birthright to the other. The historical task of labor, in the view of the socialist, is to shake the capitalist off the social body. Any measure of coöperation with capital lends greater strength to capitalism and tends to perpetuate its power. This is the radical view of the matter, but many trade unionists, even though they do not accept the wider theoretical implications of the terms, accept this appraisal of the interplay of the social forces within society.

"Union-management coöperation" neither accepts nor rejects the theory that our industrial society rests on a foundation of conflicting, mutually exclusive class-interests. The trade-unionist view ignores the general sociological issue and rests on the very simple premise that, for all practical and immediate purposes, labor and business management at various times have enough in common to necessitate and consequently to justify a degree of coöperation in the processes of production.

This opportunistic acceptance of coöperation between labor and capital is in keeping with the general line of thought of the average trade unionist of the so-called *pure and simple* type. The average trade unionist does not think of society as an organic unit. He does not relate himself to one class and his employer to another, and he does not seek to correlate these parts of society into a composite unit, whether full of conflict or leading a life of harmony. The "pure-and-simpler" neither integrates society nor analyzes it. He sees what he comes in contact with, what is tangible enough to be seen or touched. He knows his employers and other employers, but he knows no employing class. He realizes that his wages possess no steady purchasing power because of what happens to the cost of living, but he hardly attempts a correlation of wages and prices. He receives wages as a worker. He thinks of prices as a consumer. To his manner of looking at the world and social relations, "union-management coöperation" is but a routine detail of internal shop management. He accepts no classes, and he is not aware of the social conflict.

Stripped bare of its metaphysical attire, the issue resolves itself into either the loyalty of the union representative to his trust, or his betrayal, "selling out," of that trust. Union-management coöperation may be attacked from this point alone. The charge must deal with specifics.

No doubt, union-management coöperation may be put to wrong uses. There is the danger of surrender by the union of labor's birthright for a pot of lentils. "Feet which meet under a mahogany table don't kick" is a French syndicalist way of resenting too friendly business relations between union officials and employers. And there is a sting in the remark. Orthodox radicalism must not, however, overlook the fact that under our complicated industrial relations, kicking is neither the only method of fighting nor the most efficient. Whether or not it may be true that war is peace carried on by other means, as the militarists of all nations would have it, in industrial relations the reverse seems to be true. The conflict of interests between labor and capital in industry is more real in peace than at the height of industrial warfare—in the strike. The real cause of labor-capital contention exists and is manifested most when industrial peace prevails and production is carried on. The strike is a suspension of operations during which the conflict of interests is proclaimed, recited, magnified, but does not really exist. The strike does not represent that conflict on the go. There is more active and significant industrial fighting in a day of industrial peace than in a month of "folded arms" when tongues of orators instead of the wheels of industry do all the turning.

On the whole, the union is not concerned with helping the employers. The union's charity begins at its own home. When the union does a bit of thinking, whether collectively or otherwise, it most likely harbors a secret thought that somehow or other the world could very well get along without having to support a class of employers, that the entire institution of employers is mostly a social waste. The union can not, however, fight and defeat the capitalist system by way of tearing down the business standing of a single company, however large. Capitalism will not be weakened because of what labor may do to an individual capitalist or even to a whole branch of an industry. Nor will capitalism grow stronger because the union helps an employer tide himself over difficulties. A trade union may and will seek to strengthen the business enterprise of a capitalist concern if the union itself will grow in consequence of its efforts. But the trade union will thereby challenge capitalism as a whole, for a powerful labor movement is a potential menace to the existing concert of social powers. "Union-management coöperation"

within these bounds is a variety of the struggle of labor for power. The compromises upon which its performance rests are justified if they lead to further strength just as victories achieved "across the barricades" are worthless if they result in no power accumulation.

CHAPTER XI

FOUR DAYS THAT SHOOK CINCINNATI

Harnessing the Company's Union

Hypothetical Case No. 7

1. The Company's Union Becomes a Trade Union

The unionization of the A. Nash "Golden Rule" Clothing Company, at the end of 1925, as told below, is not a hypothesis at all. The case which culminated in the unionization of the company's workers on the initiative of the head of the company, toward the end of 1925, attracted much attention. Until then, the three thousand workers of the Nash plants had been organized loosely, if without a title, into a company union. The company resorted to stock distribution among employees, bonuses, and similar devices to develop a workable labor-management relationship. The group was held together by an intensely cultivated religious fervor. The Golden Rule was the substitute for trade-union organization, and the labor union of the trade was rigidly kept out of the plants. The Amalgamated Clothing Workers of America carried on an active campaign for a number of years, and a good many people probably were converted to the idea of organization. No visible headway was made, however, until the head of the company himself decided to invite the trade-union organization. The three following items should be emphasized:

First. The unusual growth of the company's sales of goods from $60,000 in 1916 to over $10,000,000 in 1924 was due to the low selling price of the company's clothing ($24 a suit) during a period of highly inflated prices. With the deflation of the industry the company was no longer practically the sole seller of cheap clothing. Reputable firms with popular labels were offering well-advertised goods at equally low prices.

Second. The large sales of the company had been achieved without direct paid advertising. The head of the firm kept his enterprise in the public eye by extensive lecture activity which emphasized the Golden Rule as a new solution of the labor-capital issue.

Since a good deal of this scheme of doing business depended on the good will of the buyers and public opinion in the communities where the sales were made, the company could ill afford to wage open warfare on trade unionism. Unless it could prove that the Golden Rule was superior to trade unionism, the scheme would fall through. And there was much doubt in the public mind as to the real social merits of the Golden Rule, as practised by the company. It was part of the union's organizing strategy to keep the public interested in the matter.

Third. As the business expanded, the number of workers employed grew steadily, and Mr. Nash had to absent himself almost continually to do all the talking and lecturing necessary for the promotion of his business. It became necessary to find a new means of keeping the shop organization in a working trim. The union, Mr. Nash thought, would do the job for him. This, Mr. Nash stated some time later in a speech before the convention of the A. C. W. of A.:

> I had a job that I could not do, and I just passed the buck to Mr. Hillman. I unionized them because I could not sleep nights, because I was afraid that things were not right in my industry with my brothers and sisters that were working there, and I did not know how to make them right, and I felt that Mr. Hillman and his organization could do it; and that is why I used him.

The following pages are taken from *The Advance*, the publication of the A. C. W. of A., and they tell the story of the unionization of the company's union as it was seen by the trade union, and is as correct a statement as may be had:

Tuesday, Dec. 8, 1925. Arthur Nash, head of the A. Nash "Golden Rule" Clothing Company of Cincinnati, urged his employees to approve of his decision to enter into a union relationship with the Amalgamated. The vote stood: 2,108 for the unionization of the employees of the company and only 8 votes against. Sidney Hillman, President of the Amalgamated Clothing Workers of America, was invited to come Thursday and address the employees of the A. Nash Clothing Company.

Wednesday, Dec. 9, 1925. Shop meetings were held in the factories of the A. Nash Clothing Company, and in numerous instances foremen and straw bosses saw through resolutions opposing the unionization of the workers. Great stir and even greater uncertainty prevailed all through.

Thursday, Dec. 10, 1925. All employees and executive heads of the firm assembled at the Shubert Theater to hear Sidney Hillman state the case for the Amalgamated. There was approval of Mr. Hillman's words, and yet when one of the heads of the firm came out against the Amal-

gamated there was a good deal of animosity exhibited in the direction of the idea of unionization. There was a majority for the union, so it was announced, but the general outlook was anything but bright.

Friday, Dec. 11, 1925. Matters were so completely in hand that detailed arrangements for the unionization work were undertaken at once. From open-shop employers in the city suggestions came that they thought they would perhaps confer with the union and see what was what.

The rapid changes in the situation were remarkable. Tuesday, the union seemed to have been certain to come, though in a rather tame sort of way. Wednesday, the fate of the affair hung in the balance. Thursday, passion was let loose, and it looked as if Mr. Hillman might be "invited out" by the workers. And then, Friday, the seas subsided, calm again reigned supreme, and the union was established.

A quarter of a century of experience in the labor movement on both sides of the Atlantic failed to show me anything similar to what I witnessed in Cincinnati, though there were many complicated and unusual things that I had known, seen, been part of, or stood by, during these years. And I will venture the generalization that nowhere but in the United States would such a curious concoction of circumstances and elements be likely to occur or ever be possible.

THE DEBATE FROM THE FLOOR

The meeting of the Nash people was called to order Thursday morning at 9:30. The Shubert Theater, where the workers assembled, was full to capacity. A neat crowd, as much as I could make them out. Huge floral designs ornamented the stage. In the background sat Mr. Arthur Nash, who presided over the meeting, and two or three others, among them the Rev. Dr. Wareing. The gathering was opened with words of prayer. Mr. Hillman was the first speaker. He was listened to attentively, I thought, also with a great deal of interest. When he pleaded for democracy in industry even as all insist on having it rule politics, a live applause greeted the speaker. There were several approving interruptions.

After Mr. Hillman completed his address, Mr. Nash spoke to the audience:

"Fellow workers, you have heard the message this great leader has brought to us, and the time has come, to a very large degree, when you must take this into your own hands. If there are those of you who feel that you want to express yourself, we now give you the opportunity."

A vice president of the A. Nash Company, Mr. Clayton, mounted the platform. The gist of his statement is expressed in his concluding sentence:

"Are we to permit this great ship, built by the hands of willing workers, commanded by the spirit of the Golden Rule, manned by the crew of love, friendship, toleration, and coöperation, to be wrecked upon the rocks of discord, dissension, and tyranny? My answer is: No!"

The speaker was received enthusiastically. The abusive remarks he fired at Mr. Hillman and at the Amalgamated were cheered to the echo.

True, approval came from one part of the theater. Anti-unionism seemed to have been centered in the orchestra, where the foremen were stationed at strategic points and a number of the executives of the company held seats. I later learned that somebody saw to it that most of the workers suspected of Amalgamated leanings were put in the balcony. I also learned that the day before, the straw foremen and minor executives who were opposed to the action taken by Mr. Nash, had a number of shops pass resolutions in which the workers obligated themselves to work against the union agreement. The argument used by the anti-union element was that the unionization of the factories would lead to reduction of wages.

The floor was thrown open to the workers in the gathering, and the exchange of questions by the workers and answers by Mr. A. Nash presented a sight decidedly novel in the labor movement, for the queer distribution of the rôles between the head of a business and the workingmen.

A workingman wanted to know, "Why go with the union, if business went well without the union, and everything was lovely?"

The employer argued:

"We have solved our problems so far as our relations with each other are concerned, but the question that I think we should face squarely today is what are we doing for the rest of humanity? Are we really in any great sense a part of the great labor movement, or have we set ourselves up separate and apart, built a wall around ourselves and said, 'Our problems are solved, our storehouses are full, let the rest of the world solve their own problems?' Nay, God forbid!"

A workingman suggested that if a union was wanted, why not go with the United Garment Workers who belong to the A. F. of L.? Let it be remarked in passing that from the Cincinnati Organized Labor headquarters came the magnificent suggestion that the firm stay away from *all* unions and be blessed by the Central Labor Council just the same, rather than go with the Amalgamated.

And Mr. Nash argued:

"The U.G.W. may have some people in this city. But if we organize let us go with the union which has gained a hold on the workers of practically the entire clothing industry, which is the Amalgamated."

Then, from the floor came the objection that the Amalgamated was not always treading the path of righteousness. A worker was there who was hurt in an encounter with Amalgamated strikers. . . .

Mr. Nash was called on to explain:

"Suppose that is all true, what does He, our great teacher, say? 'Love your enemies: do good to them that despitefully use you.' So that after all, I do not see any argument in all this; I don't see that it needs any answer on our part, but it is not true."

And when another indignant soul cried from the floor that the Amalgamated was a dual organization, and that before it could claim the right to lead the Nash workers it ought to put its own house in order, unite with the U.G.W., Mr. Nash pointed to the action taken by the Chicago Federation of Labor, which protested against the scabbing activities of

the U.G.W. in the fight of the Amalgamated against the International Tailoring Company of Chicago and New York.

Another protest came from the floor: the Amalgamated was radical.

Mr. Nash in reply to this, quoted William Green, President of the A. F. of L., a fine Christian gentleman (he emphasized), who in the convention of the International Ladies' Garment Workers' Union spoke of the radicals as the salt of the earth, who said that without the radicals the labor unions would be sterile, lifeless. . . .

A woman demanded for the workers time to make up their minds whether or not they should join the union, to which Mr. Nash correctly replied that the workers could best determine their course if they first joined and got acquainted with the union in the process of coöperation and experience. Without actually joining the union, how much more will they know ten days later than they know now?

Some one else demanded that the vote should be taken by a secret ballot, a procedure followed in making political decisions.

But Mr. Nash pointed to the civic pride one ought to take in voting openly, so much more so as there is no danger involved; the employees may decide either way.

Certain statements made by Mr. Nash later satisfied Mr. Clayton, and he announced, toward the end of the meeting, the withdrawal of his personal objections to the unionization of the shops.

MR. NASH OF CINCINNATI

It is but natural that people ask why Mr. Nash did what he did. Well, the question cannot be answered in one sentence. No one single motive can be held accountable for the man's action.

What is strange about Mr. Nash?

Not necessarily the stand he has taken for union organization after he operated for so many years under what amounted to an open shop, no matter what name the plan bore. In fact, Mr. Nash maintains that he long wanted to see his shops unionized.

What makes the man a case of uncommon interest is the combination of conflicting elements in him. Here is a blending of a religious outlook upon life with a keen business perception, a will power of quality coupled with a good deal of consideration for democracy. The man seems to be aware of the exact spring-works of industrial society, and yet he is a utopian of the purest mark. He seems to believe that it is within his power to right the wrongs of the world and that he can do that by imposing his views upon the rest of the world.

Is Mr. Nash sincere? is the question asked most frequently. This question is not of great significance. Actions count in this world a good deal more than intentions. The manner in which Mr. Nash acted speaks in his favor, and as to whether or not the results of his action will favor the workingmen in his factories—that must be left to the Amalgamated. No one man can achieve what is the task of intelligent and well-organized labor.

Mr. Nash is a dreamer, no doubt. He has vision. He is egocentric.

He sees himself in the center of the scene, and yet he advocates coöperation.

Such men as Mr. Nash are not very unusual in young races, where rapid expansion and easy money-making allows a good deal of day-dreaming, where a crude, unstable public opinion prevents a stable crystallized code of social ethics from intervening in social experimentation, and where it is still possible for an individual to run contrary to his class and environment. Mr. Nash is a very American utopian.

Mr. Nash stated that he was not prompted by business consideration to resort to operation under a union agreement. There is no doubt, though, that the understanding with the union will be made much of in the sales campaigns. And this is perfectly all right. Mr. Nash is a good business man, and it is safe to assume that once he has entered into a contract with the union he will be inclined to stand by that contract. He stated that he was prepared to make sacrifices for the affiliation he sought. He is also likely to profit by the affiliation in a very substantial manner.

2. What the Union Did and Why

The unionization of the Nash Company plants was made possible by the union's campaign of energetic though peaceful penetration, and above all because of the flexibility of the union's strategy. The union proceeded from the fact that there was a company union, and it tried to make the most of it, instead of making angry gestures at the infernal thing. The union placed the company in a position from which it could not escape gracefully, and graceful behavior was a needed element in the firm's course. It could not do a good and thriving business in any other manner. Instead of attempting a strike or any other form of open warfare which under the circumstances stood no chance, the union sought to make public opinion serve the union's purpose. It raised doubt in the public mind as to the reality of the Golden Rule as applied and realized in Cincinnati. It tried to checkmate the company on its own premises. Again, it left nothing undone to impress the firm with the power of the union. This was doubly necessary since there is a second competing union in the field. And so, when considerations of expediency obliged the firm to seek an agreement with the union, the leaders of the company logically thought of doing business with the union that had power, the Amalgamated, rather than with the one that had the official label of the A. F. of L. but no power. Mr. Nash admitted as much in the above-quoted story.

The agreement of the Amalgamated with the A. Nash "Golden

Rule" Clothing Company was assailed in some quarters of the trade-union movement as a company-union agreement. The viewpoint of both the critics and the union is brought out in the following excerpt from an editorial in *The Advance* in the form of a dialogue in which *T* presents the dissenting view and *A* the Union's attitude.

T: . . . The gist of my objection is that this is a company-union agreement.

A: Just what do you mean when you say a company-union agreement?

T: I mean to say that your union in the Nash factories is dependent on the mercy of the employer, and should that employer one day decide that he no longer wants the union, there wouldn't be any union left.

A: You can't prove what you say, can you?

T: Nor can you prove that I am wrong.

A: No, I can not. All we can do now is reason the question out. Now, it is not unlikely that should the management of the firm decide to abrogate its agreement with the union, a great many people in the shops would remain indifferent to the decision of the firm. This supposition, however, proves nothing, and this sort of speculation leads nowhere. Let us, then, put the problem in another manner. Several years prior to December, 1925, union organizers carried on a campaign of organization in front of the Nash factories, but were not successful. In December, 1925, Mr. Nash, never mind all his motives and calculations, made up his mind that he would enter into an agreement with the union. The people working for the Nash Company, when called on to approve the employers' proposal, rather failed to show great enthusiasm for unionization. Undoubtedly there were a number of people who wanted the union, yet there were a great many on the other hand who decidedly objected to unionization. Finally, a union agreement was reached and accepted. A number of circumstances went into the making of the situation. There were the efforts of the organizers, unsuccessful on their face; the decision of the employer, prompted by whatever motives and considerations he might have had; the generally lukewarm, when not antagonistic attitude, on the part of the workers of the firm. Some of the circumstances that caused the agreement were of a positive nature, others of a negative nature, and naturally enough one would expect that the agreement thus arrived at would be expressive of these varying and often contradictory conditions.

T: You are only proving my point, that the agreement is not satisfactory.

A: No, my dear friend, I am only attempting to show you what you know no less than I do; namely, that every agreement entered into by a union and an employer is a resultant of all the forces in operation when the agreement is made. This, however, is off the main road. What I am driving at is this: Before December, 1925, there was no agreement. Since December, 1925, there has been an agreement in force. Before Decem-

ber, 1925, the union was on the outside and could not possibly affect the minds of the people in the factories except through very casual relations with a limited number of people. Since December, 1925, the union has been organically linked with all the people working for the firm. In fact, the people have now become the *union*. It is several months since the union has been maintaining an intimate relationship with the three thousand Nash workers, influencing the minds of these people, working with them.

Now let us make two suppositions. Let us first suppose that for reasons of its own, the firm decided to break off relations with the union. Well, we don't know how the great mass of the three thousand workers would react to that decision. Or, let us suppose that in a year from now the firm suddenly decided against continuing relations with the union. Don't you think that the reactions of the people working toward the breaking of the union relations would be different in the two cases? Does it not occur to you that another year of the Cincinnati people's staying with the union would be likely to result in the strengthening of the union in the minds of those people and consequently in the factories? . . .

T: Well, we are discussing that agreement, aren't we?

A: My question was whether you thought that another year of the life of the agreement would strengthen our position in the factories?

T: I suppose so. You may gain more influence.

A: Then, your general charge against the agreement on the basis of what you consider its sinful conception is meaningless. Agreements are not a stationary force. They change in the course of their life. They don't always remain what they were when put in black and white. It is up to the people on either side to make the agreements a live and advantageous force or—a dead letter. Thus your general criticism of the Nash agreement is really empty, unless, again, there is something in the agreement itself that you wish to criticize. . . .

T: So everything is lovely in that brotherhood of men?

A: Cut that bunk out. We are talking of a living relationship, and the gist of it all is that things change and a good deal depends on a proper handling of the situation. We could, I suppose, if we were silly enough, tell Mr. Nash that we wouldn't admit his people into the union and would make no agreement with the firm unless all the workers of the firm learned all the trade-union textbooks by heart and got their fighting baptism in a six months' lockout. We could even insist on the firm's first hiring thugs to beat up strikers, and have union organizers arrested or kidnaped. In other words, to please you, we shouldn't have unionized the plant because there was not enough fight behind the agreement?

T: I didn't say that.

A: No, you didn't stop to think your words out to their logical end. But that is what they lead to unless they remain suspended in the air. Well, we have taken the shop. We have organized the people. We gave them a raise in wages, and an added feeling of dignity and kinship with the rest of labor. And you just watch them. They are going to be represented in our coming convention. They are becoming a part of that rich

organization called the trade union. They are already a part of the labor movement. What these people will do when the test comes remains to be seen. One thing is clear. These people *are* being won over. And this is the way of unionism, one of the ways if you so wish.

T: You don't deny, though, that the Nash agreement at its inception was a company-union agreement?

A: I do deny that, of course. It never was.

T: I wonder what you would call a company-union agreement.

A: I think I wouldn't waste time on answering meaningless questions. But I wonder whether we wouldn't get somewhere if we established a basis for this talk. Tell me what would satisfy you as the course from which a labor union should proceed in its relations with employers?

T: I can tell you that in a few words.

A: Do, will you?

T: Well, the relations of labor and capital ought to be based upon a clear-cut class-consciousness, and every step made by labor should tend to strengthen labor as a class, give it greater powers.

A: That sounds good, but suppose things don't work out that way, what would you do?

T: I wouldn't indulge in class-collaboration, sure enough.

A: You wouldn't, I know. I, though, would collaborate with the superintendent of hell himself, if I saw a way to get anywhere near an all-inclusive organization of labor. And as to that class-consciousness, let me tell you that I don't worry over it. It will either come because there is a basis for it in the existing social scheme, or—you won't preach it into life by repeating it day in, day out.

T: Now, I see, you are getting tired of this class-consciousness business?

A: No, you don't see that. As you don't see so many other things. But will you see this? American workers have not acquired a sharp class-consciousness because the social class lines have not been drawn sharply enough in life itself. The social partitions between classes in America are still fluid, penetrable. Surely, most steel workers know they never will own the plants they work in. And the miners don't expect to possess the mines in which they dig their living. But most of them expect to get out of their wage-earning skin, and enough of them manage to do that, enough succeed, to sustain the others in the hope of escape from their class. Class-consciousness in the United States has so far been an intellectual concoction, one based not on actualities but on anticipation. Some day, if capitalism proceeds the way it now does, class lines will be drawn more sharply, and then a consciousness of class divisions will follow. Until that time only a relatively small number of workers with vision will think of themselves as members of a class. What we now have more often than not is a wage-consciousness, not a class-consciousness. And it is up to the progressive labor forces to cement this wage-consciousness into a social force.

T: So you are fully satisfied with things as they are?

A: No, I am not. I don't see, though, any great sense in scolding facts. I would rather be on speaking and thinking terms with them.

What happened in subsequent months corroborated the correctness of the union's approach to the problem. After operating for a year or so, the firm found it difficult to meet competition under changed industrial conditions. It was threatened with a considerable slump in business unless it readjusted its manufacturing policy. The union, by that time thoroughly familiar with the business of the concern, took a leading part in the process, with the result that its position in the erstwhile company union was considerably strengthened.

To sum up, the union used the pressure of public opinion and of organized power, together with its intimate knowledge of the industry, to penetrate peacefully into the enemy's territory and turn it into a dependency of its own.

CHAPTER XII

STAKES OF LEADERSHIP

Hypothetical Case No. 8

Not to laugh at the actions of men, nor yet to deplore or detest them, but simply to understand them.—SPINOZA.

XYZ was in his first-class cabin on the S.S. *Atlantic* on his way to Europe to attend the International Congress of the Asbestos Workers' International Federation. He was also to review and to report labor conditions and the state of the labor movement in the Old World. The Asbestos Workers' International Association was rated a forward-looking trade union, and XYZ was a safe and sane progressive, free of embarrassing affiliations, nobody's fool. So this trip abroad was in the nature of things. One would expect a union of this sort to maintain international relations. It was good publicity, too, for the organization to send its head abroad, and XYZ had long wanted to get out of the harness for a short while. He wanted to remain alone with himself, to do some quiet thinking, to take stock of recent developments. Many a thing in the labor world had been worrying him these post-war years. He was pleased neither with the movement nor with himself. He thought new lines of action should have been followed, new attitudes taken. The daily run of affairs was disturbing enough, and there was nothing significant in view. The labor movement all over the country was growing stale. Nothing especially good was heard from abroad; yet there seemed to be more life over there. XYZ had never felt quite sure that American labor should have nothing to do with the Old World.

1. XYZ Wants to Think It Over

This business of studying labor abroad was the bunk, of course. And the International Congress was not of great significance, either. The asbestos workers, though generally progressive, were neither very curious about labor abroad nor very keen about international affiliation. To tell the truth, the thing

had to be put over on the active crowd. And it was not alone the question of funds that had to be talked to sleep. A good many other things had to be taken care of. There was political patching and gluing to be done before the step could be taken. All in all it was not quite easy to put that trip matter straight. Brother A had to be promised the post of representative on the national Advisory Council, and B served notice that he meant to get a seat on the General Executive Board at the next convention. That would mean a good deal of trouble next spring. If the General Executive Board was to be opened to B, the Pennsylvania boys would have to be "satisfied," and that would upset the balance of power. There was irritation ahead, and political machines are made of frail human material. Surely B knew all that. Yet one could never be too certain about any understanding with him. He had his eye on very clear objectives, and it was not easy to sidetrack him. Yes, there was that bank possibility for which he was likely to fall and which, if things went right, would take him out of the field. However, this was all ahead, and in the meantime one would do well to watch the game very closely.

XYZ is a realist, and he thoroughly understands the game of politics. He knows of what material human beings are made. He knows that real democracy is a dream which has yet to come true. As matters stand today, action must be paid for. Ambition must be played on. Ambition is the real driving force in any movement. There are no movements free of politics. The larger the number of people involved, the more intricate the political game and the lower the caliber of the politics one must play. One must calculate, bargain, gamble, buy, sell. Politics is no fitting occupation for saints, and union politics is human politics. No, XYZ will let no one snatch things from under his hands. And once an issue is raised he will fight it out. He will ask no quarter and offer none. That's why, when the trip abroad was made an issue in the periphery of the inner circle, he did not let it go. The B matter was quite distasteful, but it had to be seen through. In politics only the terms of a deal may be negotiated, not the issue of leadership. XYZ plays the game according to all the rules, but his stakes are different from those of the many in the field.

XYZ means to have a movement, not an exercise in aimless

commotion. At times knee-deep in the mud of union politics, he never ceases to think of larger aims and, yes, even ultimates. But he feels tired. No, tired is not the word. In fact, he is anxious for more work. He is often short of time, but his energies are not used up. Non-essentials take too much of him. Union excitement is strong, but it does not wholly satisfy. And that's how the idea of the trip abroad had matured. It was his hope that there he might find the missing link between man and God.

He knew that European labor was not the simon-pure thing it was pictured by some of the innocents at home. But, somehow or other, there was a different air about the labor movement over there. The British fellows who had come over to the United States a year or two ago had not impressed XYZ too strongly, but they were different, and one could not help appreciating the "difference." Well, it was the same sort of difference that would mark a Lord Northcliffe from our own incomparable William Randolph Hearst. The Germans were floppy, no distinctive personality about them; rather colorless they appeared, and yet they were different. They looked rather the social workers than the labor leaders. What was it? He did not know. But he wanted to know. Maybe the European trip would fail to reinvigorate him. But he had to see. He was tired. He, the practical leader of men and doer of things. A queer world. . . .

Was it a dream? But no! He clearly saw himself over there across the rail, as if rising from the waves. . . . On a platform of mist, in the midst of the ocean. . . . No, not waves. . . . Men. . . . The convention hall in Des Bois, fifteen years ago. . . . How young he looks, his Younger Self. . . . The Asbestos Workers' District No. 17 in convention had just nominated him for the presidency. They are applauding, shouting, a surging mass of humanity: "Speech!" He is carried on shoulders to the platform. He is there, stands erect. He tries to smile but cannot. His muscles are drawn together, his face has tightened. He is speaking. But, God, what is it? Is he dreaming? How clear the air and invigorating. . . . He listens. . . .

2. XYZ's Younger Self Speaks

. . . Brothers! Delegates of the Asbestos Workers' International Association, District No. 17: To be sure, I thank you. But not that. Let me

speak to you in all frankness. Just what I feel. You choose to have me as your representative. That is your will. That is my will, too. Service is a privilege as well as a duty. I strove to achieve this situation.

You are the vanguard of a militant unit of workers. I am your front man. I am anxious to bear this mark of distinction. I know, however, that I am to make good this confidence. Never shall I forget that you have singled me out. You know my platform. I am a progressive. This is a commitment to action. To purposeful action. Our action must take its cue from the American industrial scene. Our outlook, however, knows no boundary lines. Our horizon is the whole human sphere. We cannot run ahead of the progress of the rest of the workers of this country, but we are at one with all labor in the sense that we place the assertion of our rights and hopes in the center of all our doings. We want to make great headway. We want to improve conditions. But we also want to create a new condition, such as will affect the life of our people, such as will call for a reinforcement and growth of the human quality in us.

This being our aim, what, then, is our method? We are strong as long as we are closely united. Real unity implies equality. It does not follow from the acceptance of equality, however, that we reject leadership. I am frank with you. I stand for leadership. For no windbag leadership. If you want me to act, I must have the opportunity. But leadership is not bossism. Leadership is a give-and-take arrangement. If you decide to strike against the enemy, and if I oppose your view of the situation, it is my duty to come before you and tell you in a straightforward, honest way what I think of your contemplated step. It is the duty of the leader to tell the people whom he is called on to serve that what they are about to do is, in his judgment, the wrong thing. He must not flatter ignorance, if he thinks he sees around it. A clear-cut knowledge of all the facts in every situation is essential to success. If, however, the decision goes against my advice, it is my duty to submit and to go along. And if you choose to have me continue in a leading position, it is my obligation to forget my opposition and to act as part of the group, united in purpose and united in procedure. This is the democracy of a fighting army. More democracy than that is mockery. Less democracy than that is no democracy.

In this business of organizing labor for a frontal attack on industrial privilege, not only our minds must be clear, but also our hands. Honesty is the condition of our doing business. Honesty throughout. We cannot have part of the organization clean, and the other part dirty. We cannot have a clean head, and the rest of the body in filth. Our organization is an organism. A local infection sets in motion local disorders. All the chances are that the disease will spread. . . .

XYZ was stirred to the very bottom of his soul. Why, these were the very words he had used on that occasion, fifteen years ago. He not only spoke like that, he actually meant to have things go that way. He was a genuine labor democrat. He

believed in making a thorough job of it. House-cleaning was the slogan. He believed it was possible to have a clean house. He firmly believed in the majority. He accepted the majority as the ultimate reason of all things. Surely, he could think of the majority as being wrong, mistaken rather, but it was the job of those who knew better to convince the people. It was a matter of reasoning, of using the right kind of argument. The majority was ultimately right. The reasoning power of the majority was beyond dispute. Not so did he think today. . . .

XYZ meant what he said about evolving a new human quality, about clean hands. He was out to see that the labor union became a part of the labor movement, an integral force in a coordinated drive. He was not a Socialist of the type of Debs or De Leon, but he had no stomach for the slow patchwork of a Gompers.

Does he still hold these views?

XYZ has changed. Between himself and his Younger Self is all the difference in the world, and yet he so well understands his self of those days. The quality of the difference is the kind that divided the European and the American laborites, an annoying difference, subtle, hardly definable, and yet so very pressing, provoking.

3. XYZ Has It Out with His Younger Self

XYZ tried to formulate this difference. He strained his thought. He wanted to get at its substance, and put it down in clear words. That proved very difficult to do. He closed his eyes. Did he fall asleep? He saw himself in the reception room of the Copenhagen headquarters of the Asbestos Workers' International, but strange to say, instead of the delegates of the other international unions, he saw himself, and heard his own Younger Self. They were carrying on a lively conversation:

HYS: Look what you have made of me.

XYZ: Why, what's wrong?

HYS: All is wrong. Look what you have become. Is that what I meant to grow into?

XYZ: Why, a leader of labor, that was your dream.

HYS: No, old man, you are not a leader of labor, you are a labor leader.

XYZ: What is the difference?

HYS: All the difference in the world. One is a fighter, the other a professional.

XYZ: But labor is not an army in the field. Labor is a part of the state. It must have its own competent administration. The administration of labor is an art, and it requires knowledge. It requires inspiration, too, but it is the knowledge of what to do and how to do it that counts.

HYS: That, yes, but labor is not merely a part of the state. Labor is also a state within the state. Leaders of labor are generals of armies constantly in action.

XYZ: You are still young. You don't understand. People nowadays are not out for ultimates, they want the immediate. They have more than their chains to lose, and a living wage to gain.

HYS: An old song. People have always said that. They have always decried action in the name of reason. Most of the time, the appeal to reason was really an appeal against action. I wanted to be of service to the labor movement, not a specialist in the art of manipulating the conditions of labor employment. What you are doing is anything but what I had set out to do.

XYZ: Be specific, won't you, please?

HYS: I will. To my understanding, a leader is the first among equals. What is your view?

XYZ: I am as loyal to the movement as ever, but . . . but I have no longer that youthful confidence in the rank and file, in the mass of people. They don't really want to be led, and so one must drag them.

HYS: There. Save them for their sake and against their will. I meant to do the will of the people at all times, to lead them if they so wanted, to reason with them if I thought I was right. . . .

XYZ: And if they didn't understand?

HYS: Step back. Or—work along with them in the ranks, sharing responsibility, not wholly carrying it. One must not always speak, in order to be heard. . . .

XYZ: And how would you establish a sustained policy?

HYS: On no basis but merit. That is the only sustained policy. How do you hold yourself in power? What are the bases of your continued stay at the head of the people?

XYZ: I get them to see my point of view, and to accept it. I work through a group of assistants. I build the local unit on material interest. It pays our people to belong to the organization. It ought to be worth the while of my organizing staff to see that the unit is unbroken. It is my job to see to it that the operating force develops no centrifugal tendencies. The aim of leadership is to do things, and the business at hand is to see that the machinery of operation is not jeopardized. . . .

HYS: Benevolent oligarchy. Not the crystallized will of those who are to move, but the will of drivers of the proletariat. You have built a machine to carry you. . . .

XYZ: This is a machine age. Township democracy, your ideal, won't work in skyscrapertown.

HYS: The fighting, driving force that democratic leadership implies is even more the need of these mad days of standardized control and massification of the mind. An integration of the wills of those who lead

with those others who are to be led would vitalize the movement, give it life, color, and—

XYZ: —and dissension. Leave it to perpetual voting to take care of the swiftly changing industrial scene, its political exigencies . . . ? How childish!

HYS: The function of your power is bargaining. Buying and selling. Buying within, selling on the outside. You buy subordination, coherence. You sell labor to employers. I will assume that you sell on the best of all possible terms. But you do sell. Labor is the commodity you sell. Like hot dogs. Labor is a commodity in the open markets of industry, to be sure, but it is not a commodity in the councils of the movement. You act as if it were.

XYZ: Look here, this is the twentieth century. We are in the midst of the greatest of all developments, the mechanical revolution. The old foundations of the labor movement have proved incapable of standing under its weight. You saw the breakdown of the labor movement at the beginning of the World War. Possibly you thought that that happened because the leaders of labor were not the right kind of people. That is not true. They were your sort of leaders. They went *with* the people. They asked for no power, and had none with which to resist the mob. They were more democratic than I and my like are. But they went with the people, and the movement with all of them went to the dogs. Our days demand action. Centralized action. Visioned action. No open forum exercises. I am no admirer of the Moscow fellows, but they seem to know how to make things go. I have no use for the whole communist outfit, but they seem to know the stakes of leadership. They have messed up things because their objectives are so poorly chosen, but their technique is the one that might work. A strong, mature organization—

HYS: Yes, a strong, mature organization, always organization—and what about the movement? Your organizations have become part of the system, props of the system, upholders of the unshakable order of privilege and exploitation.

XYZ: What would you have? People accept what life offers to them. You will not deny that the content of the movement has grown, as I will not deny that its tone has gone down. People have more food, better clothing, better housing today than they ever had before. People nowadays think less of the day ahead. The future is the home of ideals. Inspiration and enthusiasm are primarily aroused by hopes, and people today see the future in front of their faces. They dream not, they grab. Dreams are expansive, but also generous. When you grab, you grab as much as you can, and you are more fearsome about holding on to what you have grabbed than about acquiring more.

HYS: This is Babbittry applied to labor. I will grant you that all of these things have happened. I will grant you that the size of most people's visions is in inverse ratio to the food they hold in their stomach. But what of it? We are not to inherit a movement, but to build it. "In the quality of our search shall be the nature of what we create." If we set

out to do nothing else but hold on to what we are certain of, we will never get anywhere. You have abandoned democracy in the name of efficiency. Idealism you decry because that upsets your hunt for the immediate and tangible. Dissatisfaction with things as they are you describe as indulgence in fruitless opposition. And thus your labor movement breaks down. It ceases being a striving, fighting force. You have surrounded yourself with satellites. You have become a permanent, professional labor leader. You think not of what will happen to the larger enterprise of which your organization is a part. You are only concerned about the structure in which you reside. You take no chance in venture because you may be defeated, and you cannot stand defeat because you must hold on to your seat of power. You have identified yourself with the organization which you are called on to lead, to such a point that you cannot think of the movement without you leading. . . . Your only excuse is that others have made an even more miserable job of their task.

4. The Balance Sheet of Leadership

XYZ jumped to his feet . . . to find himself alone on the deck of the S.S. *Atlantic*. So all that was nothing but the play of his tired mind. Tired? No, that's worse than tiredness. There is disorder somewhere. Dissatisfaction with his life must have gone deep indeed, if the first moment away from routinized pressure forced all this to the front. Bad sign. There is merit to that youth's talk. . . . That "youth"—himself—once upon a time? Has he really grown old? What is the test of age?

XYZ had had, for quite some time, a sneaking feeling of guilt. More and more often he had thought that "success" and "failure" had come to mean too much in his scheme of living. Of course, success was essential to continued leadership, and without leadership it was not possible to do things. But it was painful and offensive to think that he, XYZ, was making "success" and "failure" the determining tests of living. Some time ago he came across lines, printed or referred to in a current periodical:

> My candle burns at both ends;
> It will not last the night;
> But ah, my foes, and oh, my friends—
> It gives a lovely light!

He felt the rush of blood to his head. That was it. Live your life so that you know you are alive. That hadn't been his experience in recent years, though. The vicious circle. The union is not the monolithic affair that the enthusiast wants it to be.

It is the queerest compound of contradictions. Its accepted vocabulary is that of a militant venture. But, in point of fact and in terms of what its members want it to be, it is a business enterprise all through. It is supposed to be non-political, if not a-political. Why, it is the most political of all things! And what sort of politics! It is steeped in the verbiage of a crusading theology, but to succeed in a cut-and-dried business world it must be based on cool, shrewd, calculated bargaining. It carries the gospel of rebellion, and it suppresses opposition within its own ranks with an iron hand, ruthlessly. . . .

XYZ had had his share of factional fighting in his union. He put a quick end to the thing. The fellows who led the opposition were not so very expert in the business, so it was not long before they found themselves outflanked. They started their campaign while a new agreement was being negotiated, so XYZ turned loose on them the issue of "the state in danger," and most of the people rallied around the administration. XYZ won out, but he was not enthusiastic about the defeat his opponents suffered. He would rather have dealt with the opposition leaders than with many of his own lieutenants. They were younger, fresher, had a brighter appearance and a wider outlook than the regulation leaders. But the issue of general leadership was at stake . . . and that was not to be compromised.

To be effective, the union must have a sustained policy, a virile, alert, active membership, and continuous leadership. However, if leadership remains unchanged too long, the chances are that the membership will grow restive and less vigorous, stale and ineffective. To be sure, there ought to be freedom of discussion, and the actively interested membership must have a say in all vital affairs of the organization. But it is dangerous to lay everything open to the members and through them before the employers. And how can one prevent demagoguery, or—any kind of political opposition from taking advantage of easy opportunities to make it hot for the administration? Democracy is lovely, but not innocent. Machine rule is bad and not even interesting. What is the choice? Is there a possible amalgam? A safe and clean middle road?

XYZ looked across the waves, not at all certain that the crossing of the Atlantic would bring him nearer the answer. He knew that the answer to "*What price glory?*" could be written in zeros

and minuses. Yet there was no way out of the social maze but through organization, whatever its inherent faults. Organize to cohere, for without cohesion action is impossible. And then —corrupt, divide, play both ends against the middle—to keep the organization going. . . . And this shortage of ability. A financially poor movement in a world drunk with wealth. Ability is in demand. It can command its own price. What can the movement offer to ability in exchange for service and loyalty? Recognition? But recognition from within only tends to provoke more tempting chances of corruption without. It is a maddeningly vicious circle, but labor must break the circle through, if it is to breathe, to live, to be its own fulfillment.

> Towering, watching, guarding, commanding,
> A banner in stone, a symbol of might.

How does one achieve that strength? Is there one straight way out? What a Herculean task, if not a Sisyphean labor! Yet this is life. The one life that fascinates, that sustains, that has a goal outside one's own self.

J. B. S. Hardman.

PART THREE: LABOR ISSUES IN INDUSTRY AND POLITICS

Part Three

Labor Issues in Industry and Politics

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PART THREE

LABOR ISSUES IN INDUSTRY AND POLITICS

This discussion of labor issues in industry is limited in the occupations covered, but the issues are characteristic of the present state of industry and unionism in general. The issues are here localized and made concrete.

One fundamental issue is the unpreparedness of labor and society to meet the changes involved in the technological revolutionizing and geographical relocation of industry. The historic method has been to shift the burdens of readjustment on to labor at the price of enormous human suffering and economic and social waste. That is precisely what is going on today. In coal mining, largely because of the increase in electric power production and the introduction of labor-saving machinery, there are more miners than there is work, and a general condition of unemployment and part-time work prevails. The union is being destroyed while its leading spokesmen offer little more than a policy of waiting—waiting until the technological readjustments are completed. Geographical readjustments are producing similar conditions in the cotton mills, which are shifting more and more to the South, where labor, unorganized, accepts lower wages than in the North. The consequences are unemployment and misery among the northern operatives and industrial slavery among the new southern textile workers. The significant feature is that labor is equally helpless in the coal mines where there are strong unions, and in the cotton mills where there are practically no unions. Something more effective than conventional unionism is required; that is, a coördinated policy of socialized control of industry.

Ineffectiveness and inefficiency, and not infrequently a lack of responsibility if not corrupt practices, have been characteristic of a number of trade unions in America, to a degree unknown in other countries. All too often the union leader has one eye on the interests of his union and the other eye on political place and power; indeed, political preferment is one of the prerogatives of labor leadership. Because of peculiar conditions, this political

corruption is probably worst among the building-trades unions, but is by no means confined to the building trades. Assuming that the organization of a labor party is desirable, then perhaps the largest single obstacle is the political aspirations of the average labor leader.

Another feature characteristic of the building trades is jurisdictional disputes. A large number of other unions are equally bad. And it would seem as if the processes of consolidation and amalgamation so powerfully manifested in industry at the management end have utterly failed to impress organized labor. The resultant evil cannot be overstated.

Again, the building-trades unions are characteristic of many unions in that they have failed to utilize the period of prosperity to formulate a general policy of labor, to shore up their control over the job, to prepare for the future. The insistence in practically all unions is simply on wages, on more pay, even if this more pay is to be secured by throwing fellow unionists out of jobs by accepting "speed-up" methods without corresponding and adequate protection and compensations. Prosperity was not used to strengthen organizations; indeed, labor-union membership is today one-third less than in 1920. The unions have proceeded as if prosperity would last forever. But boom times may not last forever. What then? That is not being considered; sufficient unto the day are the (comparatively) high wages thereof.

The discussion of these issues indicates that the labor movement is, on the whole, lacking in social vision. There is trade-union capitalism, of course; and the "social wage policy" of adapting wages to increased production. But one proposal is an evasion of these issues, while the other has so far had no influence on policy. Labor in most industries is still drifting, and is itself unaware of the whys and wherefores of the "luck" which has brought substantial increases in real wages.

The sections of Part Three dealing with labor in politics disclose a state of unpreparedness if not a determined attitude of unconcern with the vital political ramifications of the labor issue.

THE EDITOR.

CHAPTER XIII

AN INDUSTRIAL RIP VAN WINKLE

Coal mining has been the industrial Rip Van Winkle of our time. It has been so long asleep that it now finds itself in a thoroughly changed environment. There are exceptions here and there but they are few and only serve to emphasize the general condition of backwardness characteristic of the whole industry.

The typical characteristics of the coal industry are:

A. Overdevelopment
B. Undermanagement

whereas all other modern industries are tending toward:

A. Full utilization of men and machines
B. Coördinated engineering control.

The prevailing economic environment is typified by the facts that:

1. A larger power production is carried on with lessened coal consumption, and
2. More and cheaper coal can be mined by machines than by men.

The trend in this direction is not new. It was quite pronounced seven years ago when the writer was asked to formulate the outlook for the coal industry and suggested the following industrial alternatives: "Either collapse of the coal-mining industry because of failure to provide an adequate supply of cheap power, or a radical change of present methods of mining, transportation and generation of heat and power. . . . No third outcome is possible" (*New Republic*, Nov. 17, 1920).

Developments have borne out the prognostication:

1. Mr. John L. Lewis, President of the United Mine Workers of America, admitted overdevelopment in the bituminous industry in an interview in 1925. He said: "When it [the readjustment] is complete, there will be fewer mines and miners."

2. The method of mining is likewise rapidly changing, particularly in the non-union mines, by the introduction of coal-cutting machines, coal loaders and conveyers.

3. Marketing of coal is undergoing modification, partly by means of regulation of coal-car movement, partly by the increased recovery of by-products and partly by strategic location of new central stations in the scheme of super-power development.

4. Generation of heat and power shows greater coal economy chiefly because great strides in engineering have brought forth better methods of power production. Thus in 1922, the power industry consumed one million tons less coal than in 1919, although it generated six billion kilowatt hours more energy. Likewise the railroads, consuming nearly one-third of the country's coal output, saved about 10% of coal per passenger-train car-mile, and about 14% of coal per 1,000 ton-miles of freight in 1925 as compared with an average of the five preceding years. On the whole, comparing the index of industrial activity with the total coal production, we see that in 1925, 30% more industrial activity was carried on with 90,000,000 tons less coal than in 1920.

The rapid introduction of machine mining is a matter of record and has ominous signs. The percentage of machine-mined coal in four southern States is larger than in the four States of the Central Competitive Field and is growing much more rapidly.

	Per cent Mined by Machines in	
	1923	1924
Pennsylvania	64.1	64.8
Illinois	68.3	71.6
Ohio	88.5	86.4
Indiana	54.3	59.8
West Virginia	78.8	82.0
Virginia	73.5	79.7
Kentucky	84.2	87.2
Alabama	42.6	50.7

No less significant is the fact that during the reduction of coal output in 1924 by over 14% (over 80,000,000 tons) below the production in 1923, Southern States have shown actual *increase* of machine-mined coal by 997,000 tons, whereas the four States in the Central Competitive Field showed a drop of 41,917,000 tons in the machine-mined output. By now it is generally believed and figures are available [1] to prove that the non-union mines of the

[1] The American Railway Association conducted a test in the week of December 4, 1926, which showed non-union mines producing 9,250,000 tons with capacity of 2,000,000 remaining idle.

South are equipped to produce 600,000,000 tons of coal or more than the maximum requirement of the entire country plus the usual quota of export and bunker coal. Simultaneously the production of bituminous coal per man-hour increased 29% from 1916 to 1924.

While this process of modernizing the coal industry is slowly forging ahead especially in the non-union mines, the general state of affairs has been such as to cause the Chemical Foundation to say in one of its publications: "Look around and try to think of something that is in worse shape than the bituminous coal industry. Everybody knows that the bituminous coal industry is overdeveloped. But while other industries have managed to make some progress in the face of overdevelopment, the bituminous industry has made none, none whatever. . . ." Under such conditions of overdevelopment other industries have liquidated the less efficient plants and added additional lines to keep the underloaded machines productively engaged. The coal industry still maintains the uneconomical mines and complains of the narrow margin of profits. The coal industry, because the investment is low in comparison with other modern industries, does not care about cost of idle plant and shifts the expense of non-productive ownership to consumers and tries to deduct it from labor's wages. Despite the shrinking market, the coal industry continues along antiquated lines of production, and neglects the many opportunities that modern science offers it, such, for instance, as the conversion of coal into liquid fuel for automobiles, the manufacture of paint, chemicals, fertilizer, drugs, perfumes, and even the fixing of nitrogen by the new process of combustion under water. The low overhead on primitively equipped property, and the carefree policy of keeping men idle and unpaid during the long slack periods, help this industry to maintain its Mid-Victorian status. Economic pressure not being high enough, the industry of coal mining remains behind other industries in the United States.

Antediluvian methods of management have held even a stronger grip than technical infancy upon the industry. Undermanagement of the coal industry is apparent. The Bureau of Mines has been stressing two points in most of its reports and bulletins, namely:

1. The inadequate number of foremen, fire bosses, timber bosses, etc., for safe, regular, efficient operation of mines.

2. The needlessly large number of accidents and fatalities, largely due to the laxity of supervision.

Furthermore, statistics of the Coal Commission, of the Interstate Commerce Commission, and of the United Mine Workers clearly point out that existing managerial methods and policies inevitably result in:

3. Irregularity of operation and therefore employment, and a large proportion of idleness of men and mines.
4. The contract system of payment, which is an evidence that management fails to manage.

Suffice it to quote from typical reports of the Bureau of Mines, stressing the laxity of supervision and neglectful management: "After securing position of trust as superintendent . . . fire boss, or mine foreman, some men seem to have felt it unnecessary to keep safety principles in mind" (Report Serial 2373).

Another serial report, No. 2167, again stressing undermanagement, speaks of the fire boss: "His territory is so great that in order to reach all the work faces, and chalk the required date at the face, he must travel at a rapid walk, or even run. When such haste is necessary to cover the required ground, it is manifestly *impossible* for the fire boss to make a careful inspection or examination of the roof, timber, wire, gas, etc., and doubtless in his hurry *many unsafe* conditions escape his notice."

Endless examples could be quoted to illustrate the point. The last fact-finding commission suggested that "the miners' union, which has so far devoted its major attention to economic matters, would, in safety matters, find a wide field of usefulness."

It is interesting to ponder over Bulletin 339, Table 19 ff., of the Department of Labor, which reports an unduly large number of accidents and fatalities.

Number of Accidents in Pennsylvania 1918 to 1921

Year	*Mine Accidents*	*Industrial Accidents*
1918	50,249	134,595
1919	44,067	108,477
1920	47,787	127,192
1921	50,756	89,441

The coal industry pays a heavy toll of accidents and fatalities. The rate has not declined, while in the industrial plants, with introduction of safety methods, the accident rate is rapidly diminishing.

A classification of accidents by causes will show that the above-mentioned accidents in mines could have been considerably reduced by proper supervision and care on the part of the management. The collapse of roofs and coal account for 50.02% of the deaths; accidents from mine cars and locomotives, 18.6%; gas and dust explosions, 12.21%; electricity, 4.22%; explosives, 3.75%; other causes under ground, 3.61%; accidents on the surface, 6.06%.

The American Engineering Council is completing a nation-wide study of accidents and production. The figures so far available show that in the anthracite industry, the accident fatality rate decreased 14% with a 5% smaller output per man-hour, whereas in the bituminous mines where the production rate increased 29% the accident rate increased 38%.

That this deplorable situation is chiefly due to mismanagement of the mines and is not merely a result of the increased productivity rate, may be surmised from a comparison with productivity and accidents in quarries and the cement industry, where from 1920 to 1925 a 32% increase in the rate of production per man-hour was accompanied by a 29% reduction in the accident frequency rate and a 30% reduction in the severity rate.

Irregularity of operation is an ill from which miners suffer more than operators, and while it is often attributed to the lack of cars, seasonal demands, etc., it is obvious that all these causes are remediable in an intelligently managed industry, by means of scheduling, and particularly by elimination of needless competition.

The contract system of payment is the most glaring example of nearly complete shifting of responsibility from management to men. Unlike any other industry, except probably some isolated examples in millinery, artificial flowers, and hand coloring of post cards and table ware, where families in the slums are still working on contract, management of coal mines does not assume responsibility for providing men with work, and assigning them to tasks to be performed at a specified place, in a specified time, and at a stipulated wage rate.

Inadequate technique and retarded managerial methods are the inevitable outcome of the economic state in which the coal industry has been for over a century. Excessive resources in coal and labor permitted the opening of an excessive number of mines. Their operation, not being in any way coördinated, developed anarchic competition. In this competition, other conditions being

equal, mines employing non-union labor have economic advantages. These advantages are strengthened by the favorable freight rates accorded to coal shippers from non-union fields. The economic strength gained by non-union operators has enabled them to modernize their mining equipment by the introduction, in increasing measure, as time has gone on, of machine-mining methods, which in turn place the southern fields in a preferred position as compared to the Central Competitive Fields.

As matters stand now, any advance in the wages of labor in the union fields would react as a boomerang and would be likely to add further advantages to the non-union mine operators, and tend to weaken both union operators and union labor.

Because the expansion of national industry does not necessarily call for expansion of coal production, and because machine mining under the régime of scientific management is bound to reduce, and wherever introduced has greatly reduced, the cost of production, *the welfare of mine workers is dependent upon the degree to which the operators modernize equipment and managing methods.* The reasons for this expectation may be stated as follows:

1. Increased investment in machine equipment, and resultant costliness of idleness, compels uninterrupted operation of the mines, and of course steady employment can be found when unemployment of miners ceases to be convenient or profitable to operators.

2. Increased productivity, due to machine equipment, scheduled operations, and better maintenance and safety would provide a source from which labor could command higher earnings even though compensation per ton might drop.

3. The development of an integrated coal industry, embracing production of chemicals from the by-products of the mines, or what really amounts to the upbuilding of associated chemical industries, would be likely to absorb the now unemployed miners.

4. While the development of an integrated coal industry would provide additional employment, it would also require heavy additional investment, and therefore tend not only to stabilize employment, but also to eliminate financially weak and socially irresponsible competition.

What part organized labor may play in this inevitable reshaping of the bituminous coal industry will depend upon the engineering and economic competence of its leaders.

WALTER N. POLAKOV.

CHAPTER XIV

THE DILEMMA OF THE COAL UNION

Although the United Mine Workers includes both bituminous and anthracite miners, the union's strength always has consisted in its control of the bituminous field. In 1924, out of approximately half a million union members, about 375,000 were bituminous miners. Unless it continues supreme in bituminous coal, the union must submit to drastic reductions of its size and influence, changes in structure and tactics to transform it into an anthracite union, or perhaps even destruction. Hence the union's crucial problem since the war has been to find a policy to avert collapse in a collapsing industry.

Soft-coal mining has always suffered from overdevelopment. Other raw materials are essential to industry and are demanded in increased amounts as business gains in prosperity; but whereas most materials are not needed in every industry, prosperity increases the demand for coal at all points. The force of expanding production everywhere is concentrated in clamor for more fuel, shortages at the mines, and high prices per ton. Unusual prosperity and consequent stimulation of mining during the war created a problem not new in kind, but new in intensity. Bituminous mines became capable of producing a billion tons a year. Since the war they have been able to sell about half a billion. For many firms, the consequent low prices have destroyed profit. But although the situation is admittedly one of excess capacity, many operators are unwilling to remedy the excess by closing their own mines. To close them would not bring relief from the yearly fixed charges and it would, on the other hand, involve considerable hazard of damage to the mines through flooding or caving in of the rooms. Hence it pays many operators to go on producing without profit and even at a loss, at least so long as they cover the direct costs of the digging of the coal. Any monetary prosperity brings about the reopening of such mines as have closed and so restores the overcapacity. With orders and coal cars insufficient to keep mines operating to capacity, each one produces as much as it can transport and sell and remains idle the rest of the time.

High costs of intermittent operation join with low prices to hurry operators toward insolvency.

The growth of mining during the war brought with it an increased number of miners. The post-war excess is not only of capacity, but also of men. Had the excess been remedied by closing superfluous mines, many of these men would have been forced out of mining altogether. The substitution of partial operation of all mines for complete idleness of some has prevented the appearance of a permanently unemployed group of miners. Instead, miners as a whole have borne the burden of intermittent operation in the form of intermittent employment. Nominally high wage rates per ton or per day have been translated by compulsory idleness into low yearly earnings. Operators' losses have been reflected in miners' lowered standards of living. So long as the war-time rates of wages are maintained, however, low incomes to the men do not mean any decrease in the labor costs of coal; and the operators, anxious to minimize their losses, persistently try to lower the wage scale. The miners, already condemned to a small amount of work each year, are asked to surrender what goes farthest toward making their situation tolerable—high rates while they are working.

The operators argue that lower wage rates not only are necessary to mine owners, but offer hope to mine workers as well. Coal mining must be made profitable, they contend; and lower wages, resulting in profitable operation and perhaps lower prices, would so increase employment that the men would earn more at the low rates than they now do at the high ones. The union has remained unimpressed by this point of view, and rightly so. Profits for operators would help the workers only if more employment resulted—a thing impossible without increased sale of coal. Bituminous coal is potential industrial power, and the outer limits of its use are set by the productive policies of industry. Power may be obtained, however, from oil or running water, as well as from coal; or coal consumption may be reduced by installation of devices decreasing the waste of energy in combustion. Although it is unlikely that lower coal prices would so decrease costs of industrial production as to stimulate much greater total demand for power, somewhat increased quantities might be sold at the expense of oil, water power, or coal-burning devices. But the miners are to be pardoned for doubting that they would gain

enough in employment to offset their loss in wages. They realize, moreover, that although the first effect of a wage reduction would be to destroy or diminish operating losses, most of the gain to operators would disappear if prices were cut. Either the operators would succeed in avoiding lower prices, in which case the workers would gain nothing, or, what is more probable, the persistence of losses at the lower scale of prices and wages would be used to excuse demands for further wage cuts. The logical end of such a wage policy is that the workers shall accept progressively lower wages as a means to lower prices, until the low prices have so increased sales that the excess capacity no longer exists; that condition being reached, employers will have profits, the industry will be stable, and the whole burden of the emergency will have been shifted to the shoulders of the workers.

The union, unwilling to play "tails I lose, heads you win," has always been stubbornly determined not to surrender any wage rate once attained. Ordinary cycles of excess capacity and prosperity have not involved serious enough depression to shake the union's power. Overdevelopment and partial unemployment have been accepted as in the nature of things, not changeable by wage concessions, but tolerable only on condition of high wage scales. The maintenance of the scale in depression has meant that the more regular jobs in times of prosperity brought high wages, without the usual struggle and delay after prices began to rise. Moreover, high wages, even when dubiously wise, enhanced the union's power. Collective bargaining for wages is the union's business. High wages point to its success. Sporadic employment is not clearly due to wages alone, but to managerial actions for which the union has never claimed responsibility. Failure in wage negotiations is evident to the most stupid unionist; whereas failure to follow a policy consistent with a prosperous industry arouses only those whose conception of the union's function is broad and whose economic insight is fairly keen. The union's policy, though incomplete, probably has been wise economically; these considerations certainly make it politically wise.

The difficulties of the coal industry since the war, however, have been so exceptionally great that the old complacent acceptance of partial employment is impossible for the men and acquiescence in high wage scales is galling to the operators. Nevertheless the union's policy of maintaining wage rates has not changed. If

anything, union officials have shown an increase of belligerency. Partly this attitude derives from an inertia too great to permit speedy revision of established points of view. Partly, however, it is explained by more dynamic considerations. Where the trouble is excess producing power, anything which limits producing power is likely to raise the price of coal and make easier the payment of high wages. Strikes, then, such as the bitter one of 1922, have been to operators salutary restrictions of production, progressively improving the industrial outlook until payment of the old wage scale came to seem temporarily worth while. Thus the union officials have been able to deceive themselves and their followers by winning industrial disputes. Similarly, they have been led to an aggressive policy in the anthracite fields. The anthracite strike of 1925–26 was justified, from the point of view of union officials, primarily because the consequent shortage of household fuel and of the small sizes of industrially used hard coal increased considerably the demand for bituminous. Voluntary idleness in the anthracite branch of the union decreased involuntary idleness in the bituminous branch. Increased production and more jobs checked desertion of the union in the soft-coal fields. Increased dues from those fields paid much of the cost of the strike. If the anthracite operators could be forced to surrender, the union stood to gain prestige; if not, the strike was likely to hurt it very little.

When, in 1924, the Jacksonville agreement perpetuated the war-time rates for three more years, a new motive had appeared to fortify the old policy. John L. Lewis, president of the United Mine Workers, stated the new point of view frankly in an interview granted in 1925: "The bituminous industry is suffering . . . the pains incidental to a long-delayed adjustment. . . . When it is complete there will be fewer mines and miners and it will be a prosperous industry." In other words, these years of high wage rates were expected to force the highest-cost mines out of the market and to deprive their miners permanently of employment. The remaining mines, no longer in excess of need, supposedly would be able to produce regularly and profitably and to give regular employment at high wages to the remaining miners. The cure for the industry's slow blood poisoning was to be sought in amputation.

President Lewis' policy, however, ignored the most important

facet of the situation—the fact that union control of wages did not extend throughout the bituminous industry. The isolated soft-coal mines of West Virginia and Central Pennsylvania have been, since their inception, predominantly non-union. In prosperous times they have often paid wages equal to or more than the union rate in order to hold their working force, but in depression they have cut wages drastically. This wage advantage, coupled with the fact that nature's bounties have given them low costs, has brought them an advantage in competition with union mines. Although until recently their remoteness from markets has been reflected in high freight rates, their competition has been a standing handicap to the union in its bargaining with operators of union mines, and a standing temptation to these operators to repudiate the union. A cardinal point of the union's policy, therefore, has been to gain jurisdiction in these areas. Every expedient has been tried, from quiet work by union organizers to a warlike march by 5000 union miners against Mingo County, West Virginia. The operators' control of company towns, miners' houses, the machinery of local justice, and sometimes the railroads, has been sufficient to prevent organization. Since the war, a group of legal decisions have tied the union's hands in these areas: to persuade a non-unionist to join the union, if he has contracted with his employer not to do so, is illegal; and the union treasury is liable for the acts of union officials and union members. Protected from the union by yellow-dog contracts, non-union operators are enjoying relatively stable labor conditions.

Failure to capture the non-union areas has been fatal to President Lewis' policy of stabilizing the union by driving out surplus mines and miners. Steady and profitable operation has led to expansion in the capacity of non-union mines and to growth of their orders at the expense of union mines. Whereas in 1924 union mines produced more than two-thirds of the bituminous coal mined, in 1926 they produced barely a third. Superfluous mines and miners are being forced out, as Lewis predicted; but they are union mines and union miners. As employment becomes more scanty in the union areas, union miners are tempted to desert their allegiance and take employment in non-union mines; doing so, they will be paid lower rates, but with more regular employment probably will get higher yearly earnings. Many operators of union mines, finding that they can not run at all if they pay the

union scale, seize pretexts to repudiate the union and try non-union operation. If they fail, it means only closing down—a fate which the union scale had already made necessary. The consequence is disruption of the union. Whereas three years ago the United Mine Workers had a dues-paying membership of about 375,000 bituminous miners, there are now only about 175,000. Nearly 200,000 bituminous miners have ceased paying dues to the union. Given a few more years of such development, the industry may become stabilized by elimination of all mines too weak and all workers too loyal to desert the union.

Today those in control of the union stand bankrupt of policy. Untaught by the last three years, they cling to their slogan of high wage rates. They ask the operators, in effect, to agree to mutual destruction, while West Virginia reaps the benefits of unionism. They realize that they cannot afford the operators' solution of the difficulty—an agreement fixing union rates at the scale now being paid in non-union fields. To accept such wages would be to provoke a further wage cut by non-union operators, to gain nothing for the unionized areas, and to decrease the pitiful yearly earnings union miners now receive. In wage-cutting competition non-union areas are predestined victors, and all unionists know it. They do not see, however, that their own policy is equally fatal. They make only two concessions to circumstances. One, a shadowy proposal for joint committees of miners and operators to promote efficiency in the industry, might, if made definite, have proved a means to lower mining costs in union areas; the operators, however, have rejected it. The other, abandonment of collective bargaining on a large scale and sudden willingness to settle separately with any mine which will accept union terms, is a sign of weakness. Some unimportant Western areas, so far from West Virginia that freight rates are a bar to competition, may agree to union terms. The centers of production, however, will be strengthened in their resistance by the feeling of each operator that capitulation might give him rates higher than his competitors if these should hold out longer, and so place him at a further competitive disadvantage. Union success in the strike therefore seems highly improbable.

Except temporarily, moreover, victory or defeat are meaningless alternatives. Defeat will not change the relative strength of union and non-union areas, but can only lead to renewed encroachment by non-union mines operating on a still lower wage scale. Victory

will mean renewed losses similar to those of the last three years. Pending settlement, the non-union mines, freed by the strike from competition, can annex further portions of the market. Thus whoever wins, the union loses; whoever loses, West Virginia wins.

Mere unionization of West Virginia—at present an impossible task—would not, if it were possible, entirely dissolve the union's difficulties. So long as capacity remained double the output, miners would suffer intermittent employment, attacks upon their wages, dangerous threats to their union. Their situation would be roughly analogous to that of the English miners. Any attempt at stability would expel so many mines and miners from the industry that new non-union areas probably would appear and the union's existence again be threatened. Extension of the union, then, may be an alternative to present destruction, but is no guarantee of successful policies or of eventual survival.

Organization of the industry perhaps offers more promise. Monopoly gives power to restrict output by shutting down unprofitable mines or by establishing production quotas for mines in operation. But the myriad desperate operators in the bituminous field are too numerous and too anxiously concerned with their separate interests to accomplish monopolization alone. If anything is done, the union must do it. Just after the war, leaders of the union paid lip-service to a plan for nationalizing the coal industry. Whatever be its other merits, it involved compulsory unionization of West Virginia and compulsory public monoply of coal. Now the public resents such a program, and except for a small group led by a former district leader, the union has dropped it. It may be that the obvious failure of competitive mining will lead to its revival. It may be, also, that the miners, imitating labor organizations in the clothing industry, will bring pressure to bear directly upon operators to force them into industrial collaboration. Today there are few indications of interest in either policy. Unless that interest develops soon, bituminous unionism seems likely to become so unimportant that no program it adopts will matter. In that case, the short-sighted union leaders might well find their prophecy in Jeremiah: "Woe unto the shepherds that destroy and scatter the sheep of the pasture."

CORWIN D. EDWARDS.

CHAPTER XV

ELEMENTS OF A PROGRESSIVE UNION POLICY

Members of the United Mine Workers as well as outside observers know that the area of unions has been shrinking rather than expanding during the last three years. Allied with the need to organize the non-union fields are the problems of unifying the industry, and determining the degree of union control there should be in management. Bad union policy has made these questions acute.

An analysis of the International Secretary's table of yearly paid-up memberships shows that the union membership for the year 1900 and the years following, including 1916, ranged in size from 250,000 to 325,000. Allowing for ups and downs, there was a growth in membership and control, slow, to be sure, but nevertheless fairly steady. Although wage gains of these years were small, they were made real by fairly stable prices. Idealism, confidence, vigor, characterized the union.

During the World War large wage advances were secured by the miners to meet rapidly rising commodity prices. The tax-paying membership rose in 1919 to over 400,000.

But since there were over 800,000 mine workers in the combined anthracite and bituminous fields, this was not a phenomenal increase in members. The union leaders failed to get anywhere near the organization of the unorganized fields. In some other industries in this country, union leaders seized war-time opportunities to extend organization. The miners' failure to push organizing work to the limit when conditions were favorable may be explained either by the fact that the leaders had accepted a condition of partial unionization, or by the fact that they had become numbed, in their patriotic fervor, to the need of aggressive organization. Whatever the reason the great opportunity of those years was almost entirely missed by the United Mine Workers.

In 1919 and 1920 business was active. When the Washington Agreement of October, 1917, was terminated on the first of November, 1919, fully 70% of the bituminous mine workers went out on

strike. The tie-up was for but a few weeks. Fear of a coal shortage and rising coal prices brought a temporary settlement late in December, providing an immediate wage advance of 14%. Creation of a coal commission to consider further wage demands was part of the settlement. Later this commission awarded an advance averaging 27%, including, of course, the 14% which had already been conceded.

During the business recession of 1921, propaganda among operators and business interests urged that a wage reduction take place when the scale agreement expired in March, 1922. But it was apparent to thinking mine workers then, as now, that wage reductions will not solve the problem confronting the coal industry. The country and the operators prepared for battle. More than 60,000,000 tons of coal were above ground. This and the non-union production were considered sufficient to supply the country for a long while.

Three factors contributed to change what was in the beginning an unfavorable outlook for the union. First, bituminous and anthracite fields joined forces and went on strike on April first. Second, the general strike, with its appeal for solidarity, so stirred the imagination of non-union men that 100,000 of them joined the union. This not only crippled production at the source depended upon for coal during the strike, but also made the miners of the organized districts more confident. Third, the railroad shopmen's strike in midsummer disrupted transportation in those non-union fields where men had continued to work.

Over 73% of the bituminous miners went on strike and all the anthracite mines were closed. When President Harding suggested resumption of work at the old rates of wages pending the appointment of an arbitral board, the offer was rejected because it required arbitration of wages and gave no assurance that all operators whose men were then on strike would accept its provisions. In fact, it was evident that operators of the newly unionized mines would not be parties to the President's offer. This meant, of course, that many thousands would be excluded from the settlement offered by the President. The refusal of the Harding offer was interpreted as meaning that any strike settlement would have to protect the men of the newly organized fields.

In August, active demand for coal and rapidly rising prices insured defeat of the operators' plan to lower wages. A joint con-

ference at Cleveland, representing scattered tonnage from several fields, readily agreed to renew the former agreement. It was evident that a settlement considered basic by the union, however small the included tonnage compared with the total on strike, would bring other union operators to sign. That is what happened.

At Cleveland, then, settlement by the old unionized districts was a foregone conclusion. The problem was now to hold the newly organized men and secure contracts for them. It soon became apparent that nothing was to be done further than the paying of some money for relief. It was pointed out at a meeting of the miners' general policy committee that upon resumption of work in the older fields the strike would sag in the non-union fields of central and western Pennsylvania; that the payment of relief would not compensate for the rupture of solidarity; that it was of equal importance to the union to secure settlements for the newly organized fields and for the older districts. This could be done, it was indicated, by forcing coal companies which had mines both in the older districts and in newly organized fields to sign up for all of their mines before any were permitted to work. This proposal was rejected. Under the Cleveland policy many companies were permitted to sign in other districts while continuing to evict families, use gunmen, and import scabs in the coke fields and in Somerset County, Pennsylvania.

A typical case is that of the Consolidation Coal Company. The Consolidation in 1922 had approximately 40 mines in northern West Virginia, seven or eight in Somerset County, Pennsylvania, and others in Maryland and Kentucky. The company agreed to sign for West Virginia only, and the national officials accepted this proposal over the protests of the Pennsylvania union miners. The West Virginia men went back to work. In Maryland and Pennsylvania, strikes for union recognition were continued. But with coal coming from 40 mines in West Virginia, the Consolidation Coal Company did not care how long the other States struck. The Company filled orders with West Virginia coal and used West Virginia profits to ship strike-breakers and gunmen into Maryland and Pennsylvania. Finally, the Maryland and Pennsylvania strikes were lost. Then the Consolidation Coal Company broke with the union in West Virginia and used Maryland and Somerset County coal to crush the strike that resulted in West Virginia.

The Company is now 100% scab, mining ten million tons of coal a year without a union contract.

Bethlehem Mines Corporation, Hillman Coal & Coke, the J. H. Weaver interests and other big concerns were allowed to split the workers and destroy the union in the same way.

This policy was carried even further. In District No. 2, the J. H. Weaver interests had a large operation at Nant-Y-Glo which had been union for many years. They also had a non-union operation at Revloc, about six miles from Nant-Y-Glo. During the 1922 strike the Revloc miners came out and joined the union. Evictions took place at Revloc, but the men stood firm under great pressure. The Nant-Y-Glo men, to stiffen their brothers at Revloc, gave assurances that they would stay out until the Weaver interests recognized the union at Revloc also. But what happened? The Weaver interests were told at the Cleveland conference that District No. 2 would not permit the Nant-Y-Glo operation to resume work until they agreed to recognize the union at Revloc. This they were not willing to do. At the request of Mr. Weaver, President Lewis insisted that the Nant-Y-Glo operation be permitted to work. The district would not accede and the Nant-Y-Glo miners refused to end the strike. Mr. Lewis, disregarding district autonomy, then signed for operation at Nant-Y-Glo, deserting the Revloc men, and notified the Nant-Y-Glo local union that if it did not accept his decision, he would immediately revoke the local union charter. The Nant-Y-Glo men, under these circumstances, had to surrender.

If at the time of the Cleveland conference, the strike had been going badly, or if there had been danger of failure to fix a basic wage rate, there might have been excuse for the policy of the union leaders. But union morale was high, coal prices were high, and the operators realized that they were defeated. Nothing insurmountable prevented forcing the operators to sign for all their mines containing union men. Such a policy would have meant the signing up of Consolidation Coal Company, not only in northern West Virginia, but also in Somerset County, Pennsylvania, and in Maryland. It would have meant a contract with the Hillman Company, not only in the Pittsburgh district, but also in Somerset County and in the coke region. The Bethlehem Mines Corporation would have had to sign for its Pennsylvania mines, many of which were non-union. Contracts with these large opera-

tors would have broken the resistance of the others and would have meant not only victory for the 100,000 new members then on strike, but also increased power and prestige to simplify the work of organizing other non-union fields. Failure meant loss of those 100,000 men, loss of confidence in the union by non-union men and increased confidence among the operators in their ability to checkmate the union's moves toward expansion.

Now we find the union losing ground. The operators bided their time for their great offensive against the union. The smug satisfaction with which the Jacksonville agreement was accepted by union leaders as an automatic cure-all was to receive a rude awakening. Shortly after signing it, many operators and some associations commenced to attack it as uneconomic. After a few months, coal company after coal company in outlying districts repudiated it. In three years the union lost 192,321 members in the bituminous fields. Early offenders in breaking contracts were the Consolidation Coal Company, the Bethlehem Mines Corporation, the Weaver interests and others who had been tenderly treated by the Cleveland policy.

Union policy for 1927 is born of a consciousness of weakness. While it insists on continuation of the Jacksonville agreement, it completely gives up the idea of a national settlement and a national strike. The union miners in the outlying districts are today permitted to work while their brothers in the Central Competitive Field are on strike. The policy has become one of local strikes and local settlements.

Hope lies in the tenacity and loyalty of the union miners in the greater part of the Central Competitive Field and in the Indiana and Illinois miners' certificate law, which makes the introduction of scabs practically impossible. These, combined with the sectional competitive interests of the operators, may force a settlement.

But even the most favorable settlement including both the Central Competitive Field and the outlying districts would leave the union only minority control of the bituminous industry. It is significant that the battlefront in this strike is in the Pittsburgh district of the Central Competitive Field, the heart of the union, and that the issue is recognition of the union.

What can the union do to turn the tide?

First, organize the unorganized. Intelligence, determination, and sincerity can do it. But local and sectional strikes are not

sufficient. No company must be permitted to sign for some of its operations while other mines of the same company are fighting for union recognition; neither must a company be allowed to operate on a union basis in one field while breaking its contract in another field. Plan and action must be national. A comprehensive, aggressive policy of organization consistently adhered to would inspire confidence among mine workers, give hope to field workers who have become discouraged and apathetic from years of fighting on losing fronts, and eliminate those whose tenure of office depends not upon the amount of organizing work done, but upon political service rendered.

Second, nationalize coal. Unification is necessary if stability is to be brought out of the chaos of overdevelopment. Vast wastes of coal and human resources now occur, and an unnecessary burden is imposed upon society.

Trustification and nationalization are the only forms of unifying the industry. The trust, while it often makes for large economies in production, too often gives the bulk of such benefits to an inside few. The miners, therefore, cannot favor it. Public ownership, with the union sharing in management, is the avowed goal of the miners' union; but official indifference has obscured its importance. Actively pushed, the nationalization program would soon become a live political question. Its attainment would give mine workers opportunity to govern and administer their life and labor.

Third, a labor party is necessary to get justice for the union in the courts and legislature, to awaken public interest and secure public support. Nationalization needs a large labor representation in all branches of government; otherwise it would mean control of industry by business men in the interest of private enterprise. The conditions of nationalization are a 100% union and a political labor party.

The way of getting a 100% union and a political labor party is to push nationalization. Nationalization demands nationalizers, that is, Congressmen pledged to the plan. Hence it is the cutting edge of the whole democratic wedge. Probably only nationalization will ever give a 100% union. The lack of a 100% union and a political labor party is not an excuse for failing to back nationalization. It is the reason for pushing the plan.

JOHN BROPHY.

CHAPTER XVI

GLORIFYING THE BUSINESS AGENT

The nation's expenditure for building is twice is high as it was before the war, having reached $6,000,000,000 annually. Corresponding to this increased activity, there has been all over the country a stabilization of building-trade wages, and it is expected that wages will continue to rise slightly.

No one expects the present level of building to continue indefinitely. It is not normal. The building trades are clearly in the midst of a boom era if not at the end, but the end already appears ominously just over the horizon. This is the strategic hour, therefore, in which the building trades can strengthen their position, for such a period of expansion will not soon come again.

What the building trades have done with the last five or ten years, and what they are going to do with the next few years, will be a fairly adequate way to judge of the present condition of one of the most powerful and conservative sections of the American Federation of Labor.

Although the position of any trade is strengthened in a period of expansion, the power of the building trades even between boom eras is not a negligible one. There are at present 120,000 organized men in the New York City building trades and 900,000 in the entire country. The trade is also more completely organized than some other industries; a business agent in the Carpenters' Union estimated roughly that perhaps 60% of the men in the building trades were organized. This naturally gives the building trades a fair bidding power as over against the employer.

The bidding power of the building trades is further enhanced by the fact that the building industry is a hurry-up business. To the speculative builder, especially, any delay in completing a structure scheduled to be ready for occupancy in a given number of months involves great losses in connection with overhead. The necessities of the speculative builder do pretty much deliver him—not into the hands of the rank and file exactly—but into the hands of the business agent.

The business agent in the building trades holds much power in

his hands. To the contractor he can sell a supply of workmen, and protection against strikes, against competitors, and against unionism. To the man in the union he can sell jobs, and to the politician he can sell votes. This is a power considerably over and above that of the business agent in other trades, and it rests on several factors in the organization of the building industry.

The business agent's power over the employer is based on the necessity for completing a contract by a certain date, on the exceedingly competitive nature of the industry, and on the practice of subcontracting. The process of subcontracting or lumping is very prevalent in the building industry. The subcontractor must make his profit on labor or not at all, since he does not buy his material himself. Because the subcontractor is therefore very dependent upon labor, he is the more willing to pay the business agent for special privileges.

The whip hand that the business agent holds over his constituency is due partly to the old and well-known curse of the building trades, which is seasonal employment. In spite of the notoriously high wages of the building trades, the average annual wage in this particular trade is low, just as it is in anthracite mining. There is a more or less conscious struggle in the building industry and the building trades in Europe and America to fight and offset the limiting influences of the weather, but the struggle has so far been only partially successful. The big building concerns, and their number is limited, have a steady year round of jobs for a limited number of workmen. The astute business agent supplies his friends and supporters with these jobs, and so ensures his own reëlection. The favored friends of the business agent soon constitute an inner circle inside the union which tends to dominate union affairs. This inner circle is especially in evidence in the great cities, where the building trades are organized not 60% but 100%.

The business agent's power to ensure all-the-year-round jobs to enough union men so that he can be sure of holding his job, is matched by his power to supply competent and ready labor at any time to the concerns which can supply these all-the-year-round jobs.

But the real power of the business agent over the trade unionist lies not only in the seasonal character of the industry, but in the extreme competition for jobs which is created by the high wages

and the tremendous volume of building in such centers as New York, Chicago, or Florida. How much building centers in our super-cities is shown by the fact that from 1925 to 1926, $1,000,000,000, or about one-sixth of the total amount of building in the United States, was done in Manhattan and the five boroughs. In spite of the stabilization of wages that is going on, wages are higher in the great cities than in smaller localities. It is natural that building-trades workers should drift into and out of the great cities, but the presence of an unusually large labor market makes the favors of the business agent the more valuable to those who receive them.[1]

It might seem that the power which the business agent wields in relation to the employer because of the hurry-up character of the industry, and over the trade unionist because of the seasonal character of the industry, and over both because of the almost too fine edge of competition both in the industry and in the trade, were enough. But the business agent has a third spoke in his wheel, and that is his connection with city politics.

The alliance between the building trades and politics is based on the cornerstone called public works. Public works is not the most important section of the building industry, but it is a nice item, especially in times of depression rather than of boom. The pleasure of the politician in having a lot of jobs to hand out when the city undertakes a necessary piece of construction is evident. It is also evident what the politician expects from the business agent and his inner circle in return for these jobs. What is the business agent likely to do with all this power? The possibilities are endless, but the probable alternatives are two. The first is that he can use his power to gain added wages and added security for the trade. The second is that he can, if he will, let the employer glorify him.

If graft eras in the building trades are always associated with boom eras, as Mr. Haber points out, then graft eras and boom eras are also coincident with the meteoric career of some glorified business agent. In the boom of 1904, it was Sam Parks who became the dictator of the New York building trades, and in 1921, it was Robert Brindell whom the newspapers called the building-trades czar. The career of both of these men was brilliant, and

[1] For the analysis of the sources of the business agent's power, I am indebted to Horace B. Davis, formerly Assistant Professor of Economics at Cornell University.

brief, and neither of them was ever in the position of a dictator or a czar. They were both of them tools, manipulated by other men.

The building trades are not only one of the most powerful, they are one of the oldest trades in the country. There was a time when they were the progressives of the labor movement, and its pride. They have always been a prosperous trade, because no substitute has yet been discovered for building. If anthracite gives out, the public can shift to bituminous coal, to oil, or to electric power. In time, the standardized production of building materials in the factory will undercut much of the skilled and semiskilled hand labor of the building trades, but so far the effect of standardized production of parts has not seriously affected the status of the building-trades worker. The building trades of the United States have also been prosperous because this was a growing, pushing country. In Europe, the building trades are spindly affairs in comparison with the American building trades. The building trades have been prosperous, but it is not because they have any particular virtue on their part. At present they have the most brilliant years in their history just behind them. How have the building trades used these easy years?

Wages have been good. The building trades have lost few strikes within recent years, and they have not in any case lost disastrously. Wages have been smoothed out all over the country, so that the trade unionist in the smaller locality now gets a better wage. Wages have also gone up slightly in New York City. Even Brindell had to get wage increases occasionally to hold his position. No new protective clauses which would have strengthened the position of the union and secured more favorable working conditions for the individual have been written into any building-trade agreements in these years. When the boom is over, the favored trade unionists and the business agents of the building trades will have had the wages and the rake-offs of the boom years to put into their pocket; but they will not have anything else.

The building trades, which were once known as pioneers in the labor movement, are now known as prosperous, reactionary and corrupt. They have grown into a middle age in which the stomach is well filled, but the brain has grown sluggish. It is not Parks, nor Brindell, nor the shadowy figures that move behind them, who are responsible for graft in the building trades, it is the conditions

of the industry itself. Working on any New York office or apartment building there are dozens of subcontractors and dozens of trades. It is not physically possible, even with a car, for the business agent in a great city to visit all the buildings in the city at which men from his particular union are at work. The several dozen shop stewards who represent the different trades on any large building project know how to get in touch with the business agent, but their tenure on any job is uncertain. Being workingmen, they can be fired at any time, and they are likely to be fired, if they register a complaint. In such a complicated, vast, and decentralized industry, it is necessary for the individual workman to depend upon personal acquaintance and pull for jobs, and it is impossible for the Building Trades Federation officials to check up on the individual business agent.

It will not be easy for the building trades to devise means of regulating the very extensive power of their business agents. So far they have preferred to muddle along. Their muddling has not, however, made life easier for the building-trades employer, who, judging by Brindell's success, can afford to pay the building trades a million dollars a year extra for service. It has not made life easier for the trade unionist, who gets good wages during a boom period and sharply deflated wages when a boom drops. But they have made life easier for the business agent who was willing to be glorified. It is he who has eaten the building-trades' mess of pottage.

Winifred Raushenbush.

CHAPTER XVII

PROSPERITY, POLITICS AND POLICY

That the bricklayer, the plumber, the plasterer, and the other building-trades craftsmen are the aristocrats among wage-earners has become proverbial. The peculiar character of the industry in which they operate and the special circumstances of the last few years have placed them in a strategic position and they have certainly profited therefrom.

The material accomplishments are apparent. There have been an increase in the membership of building-trades unions, a rise in wages, and a decline in hours. The building-trades unions affiliated with the American Federation of Labor had a membership, judged by per-capita tax, of 843,900 in 1920. That was the peak year of the A. F. of L., which reported a membership of 4,130,700. With the collapse of the war boom and the government props to collective bargaining the number of members in the A. F. of L. steadily declined until 2,888,900 was reached in 1926, although the official average number was 2,813,910. Not so with the building-trades unions. They made practically uninterrupted gains (except in those cases where work was also done outside of the building-construction industry) and attained a maximum of 907,300 in 1926. The result was that while in 1920, just before the building boom got under way, the building-trades unions contributed 20.4% to the membership of the A. F. of L., in 1926 they accounted for 31.4%. Other unions have lost in the post-war deflation; the building-trades unions on the other hand have made steady increases. The life of the A. F. of L. today hinges upon the welfare of the building crafts.

The building-trades unions can point with satisfaction to the improvement in wages and hours that they have obtained. They stand in the foreground of unionized trades; and they have gained from year to year, except in 1922, which was characterized by general business depression and wage-cutting.[1]

What does not appear in statistical reports or in published accounts is the increasing connection of the building-trades unions

[1] *United States Bureau of Labor Statistics, Bulletin No. 431.*

and their officials with politics. Both the leaders and the rank and file have found this profitable. We can discuss the subject from the point of view of the former. The officer uses politics for three purposes: (1) to control his membership, (2) to cover up his sins, and (3) to obtain political plums for himself.

The officers, especially the business agents, delve in politics to keep a grip upon the rank and file. The worker, particularly the Irishman, who constitutes such a large proportion of building-trades craftsmen, often needs the intervention of the local politicians. He may be accused of beating his wife, embroiling himself in a street fight, or getting into a hopeless state of intoxication. If he does not need assistance himself, it may be his son, his brother, or a friend. The intermediary between the political chieftain and himself is the business agent. The latter does not necessarily have to be a leader in the local political machine, though it will be recalled that one business agent, an important figure in Tammany Hall and an outstanding figure in the Board of Aldermen, was implicated in the Brindell exposé and had to pay the penalty for getting caught by vanishing from the political scene. He still has his union position, however. The business agent makes the necessary adjustments with the political powers for his members. He must be able to deliver the goods. In return he receives the votes of a grateful or sometime-to-be-grateful rank and file, not only for himself when he is running for reëlection, but also for the political party which dispenses the favors. The business agent must keep his flock in line.

So far as the union itself is concerned, there is still another link with the politician. That is the city job or the job that the city can control. Public works occupy a strategic position in rounding out the period of employment of the worker, particularly in depression. There are two other aspects of this question. The public official can create or direct work into channels which will meet the demands of union members. If terra cotta will deprive the stone-cutters of employment and their union and their business agents have been "good fellows," then why not have public buildings of natural stone, as witness the court house and public school building incidents in New York City during Mayor Hylan's administration? There comes to mind the case of the business agent of a union closely allied to the building trades who openly criticized the municipal administration at every meeting of the

city central body for its unfairness to labor. Suddenly he ceased to attend sessions. He had to be consistent, for in the meantime the proper city authorities had created enough work for the members of his organization to make his remarks needless.

The second feature of the public works problem is the prevailing rate of wages. Politicians, in order to save money, like to dodge the issue, when the local labor movement is too weak or insufficiently persistent. A case in point is New York City. For years despite a prevailing rate-of-wages law in the State, day laborers hired by the city or by contractors on public works received several dollars less than the union rate, which presumably was that of the majority of the employees employed at various trades. But conditions changed in recent years. The alliance of the building-trades unions with the politicians became closer and the "Al" Smith boom for presidency was also something with which to conjure. The city central body, impotent because of the non-affiliation of the building-trades unions, had passed protesting resolutions in vain. Then, the Building Trades Council in a resolution sponsored by important Tammanyites censured the administration of Mayor Walker. This action, though given no publicity, was followed shortly afterwards by a conference at the City Hall between the local labor leaders and the Mayor. Subsequently announcement was made that the prevailing wage law would be enforced in future contracts for the construction of subways, where many building-trades workers can find employment. In due course of time, the courts handed down decisions distinguishing the New York situation from that in Oklahoma, whose prevailing rate law had been declared unconstitutional by the United States Supreme Court. Finally, the Budget Director of the city recommended an appropriation of $1,307,237 to provide for increases of day wage rates, chiefly in the building trades, to comply with the prevailing rate law. The only exceptions were in those trades where loyalty to Tammany Hall had not been the order of the day. Such are the ways of politicians—and labor leaders.

Stealing from the union is fortunately a rarity, and the rank and file can be aroused to oust "crooks," but the grafting of the business agent from the employer arouses little opposition and some envy. The "boss" pays, and the average building-trades unionist thinks it is none of his concern. In one union where a rebellion started against a business agent, the latter told the members

frankly that he had big expenses, and didn't he see to it that they had good jobs? The idea of defaming his character! The meeting ended with a resolution of eulogy for the agent.

Sometimes, however, the shady practices of officials come or threaten to come into the open. An obstreperous employer raises a loud protest, an untainted union member answers the call of conscience, or a nuisance of an investigator begins to nose up dirt. Then it is that the local politicians can come to the rescue. A magistrate does not commit to the grand jury, or the district attorney's office does not press the case. Lawyers with excellent political connections are retained. In one recent instance, a corrupt union machine hired the services of a powerful district leader, who, it is of some interest to note, shortly afterwards received an appointment to the bench. Another illustration is that of accused officers who took upon their legal staff of five politicians two who had but recently been judges themselves. In both cases, the defendants won their points in the courts. Of the Brindell trial it is said that the labor "boss" welcomed the proceedings, so certain was he that his political "pull" would secure him a complete vindication. During periods of prosperity, such as the present, the rank and file is least prone to pry into the activities of their officials and most likely to forgive their business agents.

The last reason for the official's participation in politics is to secure rewards outside of his union. He may go into business, especially contracting, where political connections would, of course, be useful, but what the most ambitious hanker for is an appointive "soft job," with a good salary. Sometimes an officer will hold political office while still connected with the trade-union movement, such as the Brindell associate mentioned above. The president of the New York State Federation of Labor, also the head of a building-trade union, recently resigned to accept a commissionership in the New York City Board of Standards and Appeals at $7500 a year. In Chicago, workingmen's leagues for the support of Dever, Democrat, and Thompson, Republican, for mayor, and a strong movement for a former labor official running for city clerk on a third ticket, divided the local labor movement. The majority went with Thompson and the Republicans, however. When the struggle was over at least one banquet was held to honor the president of a Chicago building-trades union who had been executive-board member of the Cook County Wage-Earners' League, which

had supported Thompson, and who was now appointed deputy commissioner of public works. In New York City the most logical candidate to represent labor at $8000 per year on the State Industrial Board was passed over in March, 1927, among other reasons because he had had the effrontery to desert Tammany Hall to run on an independent labor party ticket for president of the Board of Alderman and practically cause the election of the Republican candidate. Needless to say, he did not receive the endorsement of the Building Trades Council, though he was international president of a union in the building and general construction industry whose New York locals were affiliated with the Council.

We have seen that the gains of the building-trades unions during the periods of prosperity have been confined to immediate things: wages, hours, and political "pull" behind the scenes. Ultimate power and preparation for a period of slump have been overlooked. While prosperity has been with them, the building crafts have sought to make all the material gains they could. There has not been a thought of the morrow. The more alert members recognize that building operations will sooner or later slow down due to surplus construction, general decline of business, and tightening of the money market, but the day of reckoning has been pushed far away from their thoughts.

What the building-trades unions have overlooked are these factors: (1) job control, (2) organization of unorganized elements, (3) standards of production, (4) machinery of adjustment, (5) technological developments, and (6) unreliability of present political connections. Limitation of the right of the employer to hire and fire is still foreign to the philosophy of the building-trades unionist. Employment by the day is the rule. Two officers of different unions who in order to cope with the impending depression proposed union employment bureaus where employers must apply for permanent help, were hailed as too radical even by so-called progressives. Yet there is good reason to believe that the building-trades unions might have established the right to the job during the period of prosperity if they had cared to assert themselves.

In most of the unions under discussion membership books have been closed by law, tacit understanding, or high initiation fees not only for non-unionists but in many instances even for fellow members of out-of-town locals who wished to enter by clearance

card. The theory that underlies this monopolistic practice is that the number of jobs to go around is limited and that too many applicants will lower the wage rate. What happens is that the unorganized workers accept work at any wage they can command in the market and scab in time of strikes. Sometimes the excluded form dual unions to protect their interests, or to demand admission into the regular organization by mass pressure. As a matter of fact, the books are somehow or other jammed open if a candidate is willing to pay the proper amount of graft to union officials or is taken under the wing of influential members. During a period of prosperity the danger of competition from the unorganized is minimized because the official unions control the desirable new construction work through the practice of building-trades councils in calling sympathetic strikes where non-union men are found on the job. But this solidarity does not extend to repair and maintenance work, which to most crafts is an important consideration. In periods of slump this old work predominates. What the unions should have done while prosperity gave them the upper hand economically was what some far-sighted officers have suggested: organize the unorganized, if not wholesale, at least by job units. When depression comes, equal division of work, which is a corollary of job control, will restrain competition, help maintain wage rates, and most important of all, keep the union intact. But all this is in conflict with that essentially capitalistic outlook of the building-trades unions which paradoxically sanctions monopoly for themselves and laissez-faire for the employers.

By the same token, standards of production have been overlooked. The unions have in many cases restricted output on the theory of "making work." By and large, however, this has been a false protection. When an employer can discharge a man any day, as, for example, at least fifteen minutes before lunch or closing time, the worker has no alternative but to keep up with the pacesetter, who is rewarded by a bonus. The rush system has characterized the building trades even during prosperity, and the unions have been helpless before it. When a rushing committee was appointed in one craft, particularly afflicted with the evil, to study the problem, the accomplishments were so inconsequential that the members interpreted the scheme as a way of creating a few more committee jobs—with pay, of course. In hard times there will be no protection whatsoever against the speeding up of

the worker, for after all labor constitutes one half and more of building costs. As early as the spring of 1927 it was reported that where slowing down of building operations had become apparent the men were taking greater risks in order to hold down their jobs and that accidents had as a consequence increased. The installation of the procedure of setting up production standards would have been one guarantee of the worker during the depression to come.

It is generally understood that the building-trades unions are committed to arbitration. So they are, but chiefly in theory. They had to submit to this refined method of settling disputes when the employers formed associations of their own and downed the walking delegate, the predecessor of the modern business agent. Actually the building-trades unions are more content to rely upon the omnipotence and omniscience of the business agent. He argues it out with the employer and clinches his contentions with a walk-out. That works very well when conditions favor labor, but the employer turns the tables when he can have his way. There is no such thing as impartial machinery. Then, too, in the settlement of the all-important jurisdictional disputes, it is often the employers' association which decides the disposition of the work rather than the local building-trades council, while nationally the National Board for Jurisdictional Awards in the Building Industry assigned only three of the eight places on the Board to labor. When the slump comes, the building-trades unions will have to look to the mercy of the employers for the correction of grievances.

We must not forget the havoc that is being wrought by technological changes. Inventions eliminate skill, replace labor, and eradicate craft lines. Chemistry produces new materials that upset the usual demarcation of crafts. All-year-round construction methods free the builder of the bugaboo of the weather. Improvements in building equipment create new jurisdictional disputes among unions. Material is prepared and finished in the factory, usually under non-union conditions, that was formerly attended to on the job. All these developments are inevitably destroying the character of building as a local industry dependent upon local labor of a certain amount of skill for its success. Yet amalgamation, industrial unionism, and even federation are worse than anathema to the building-trades unions.

Finally, as to political connections, the game works both ways. The employers and their associations also obligate the politician, for they supply more than mere votes; they contribute funds. That is why prevailing rate laws have been disregarded so long and why the police upon strike duty sometimes are more vicious than at other times. It all depends upon the balance of power. The politicians play the builders against the unions, pleasing now one, then the other, as circumstances require. But should the unions grow weak in the face of a depression, the politicians will have to submit to reality and make the proper adjustments. Also with the independence of the contractor, the grafting and the dividing of the spoils will cease. On the other hand, the opportunities offered by public works will tie the union to the politicians, and if the latter remains true this can become a source of great comfort to the members or at least the clique which aggressively supports the union officials in power.

Our chief criticism of the building-trades unions is that, despite the fact that they have managed to wrest immediate gains from their employers during prosperity, they have done nothing to entrench themselves in power. They rest heavily upon local politicians for support. They have not used their economic advantage to establish constitutional rights and guarantees in their industry and at the same time have failed to grasp the meaning of the economic situation. Slumps have been something to worry about when they would occur, non-union workers have been left to their fate in accordance with an unenlightened selfishness, and changing technique has been important only as it has affected jurisdictional questions. The chief policy has been so-called non-partisan politics—non-partisan because some cities are run by Republican machines and others by Democratic. It is this "policy" which has sapped the energy of the building-trades unions, warped their viewpoint, blinded their vision, and given them a false sense of security. It is this "policy" which has dominated the A. F. of L., if only by virtue of the numerical preponderance of the building-trades unions, and created vested interests that make independent political action for organized labor nothing less than revolutionary.

LOUIS STANLEY.

CHAPTER XVIII

THE PLIGHT OF COTTON-MILL LABOR

The recent conspicuous growth of the cotton manufacturing industry in territory south of the Potomac, to the corresponding hurt of the old seats in New England and the Middle States, is momentous for the American labor movement. It implies violent readjustment in all regions concerned, promises a trial of patience and courage, and portends a new economic utility to the nation.

The number of active cotton spindles in cotton-growing States increased from 4,368,000 in 1900 to 17,292,000 in 1925, a gain of 12,924,000. In the non-cotton-growing States in the same period the growth was from 15,105,000 to 17,740,000, or a gain of only 2,635,000; there was an actual regression of 2,510,000 active spindles from 1920 to 1925 in the non-cotton-growing States. Of total spindles in place in the United States, the South had 46% in 1925. In the last eleven months of 1923 spindles in place increased 518,000 in the southern States and decreased 107,000 in competing sections. Massachusetts alone lost 35,000. In 1919 (the last year for which there are official figures on this point) 32% of all capital in cotton manufacturing was in the South; since that year the drift of the industry southward has been particularly marked, and it is estimated that in two active years, $100,000,000 was invested in 1,000,000 spindles in the South. The total capital in cotton manufacturing in the South is believed to be about $1,000,000,000. Southern mills in 1923 turned out cotton goods worth $981,000,000, or 52% of the total value of cotton goods for the United States.

Still, on the whole, in point of plant and practice, the North is ahead of the South, and yet the northern industry must struggle to hold its own while the southern grows buoyantly. The contrast between North and South is primarily one of differential advantage unconnected with these matters. The southern mill man bears down upon a longer lever than his northern competitor. He runs with a handicap in his favor.

The southern differential amounts, all in all, to perhaps 30%. This is made up partly of proximity to the raw material. The

advantage here is not so important as it once was, for saving in freights on cotton is partly neutralized by long shipments of finished goods, and, too, certain large mill centers in the South bring part of their cotton from a distance, paying rates little lower than those to New England. Power costs less in the South, since over 10,000,000, or 60% of southern spindles, are electrified; over 100,000 motors, a majority of them on individual and group drives (thus insuring maximum flexibility and control) have been installed in the last twenty-five years. The cost of mill erection is a trifle less in the South than in the North, but southern factories regularly have villages costing more than the power plants which must usually accompany northern mills.

The South's principal advantage is in labor. Calculations have been made to show that in 1923 the labor on a standard print cloth, in the manufacturing processes proper, cost a southern mill about half as much per pound as a New England mill, i.e. 7.76¢ as opposed to 14.20¢. The total labor cost in 1923 in the South was 9.24¢ as against 17.40¢ in New England. Other items of "supplies" and "expenses" were only slightly lower in the southern than in the New England plant. It is apparent, therefore, that almost the whole of the difference in the total cost of manufacturing the cloth, i.e. 19.24¢ as against 28.03¢ is attributable to the factor of cheaper labor in the South.

A comparison of wages in important processes in northern and southern States makes the situation clear. The average earnings per hour in 1922 for male weavers were as follows: Alabama 25¢, Connecticut 45¢, Georgia 28¢, Massachusetts 46¢, North Carolina 35¢, New York 45¢, South Carolina 28¢, New Hampshire 46¢, Virginia 40¢, Rhode Island 45¢. For female frame spinners the figures run as follows: Alabama 17¢, Connecticut 34¢, Georgia 22¢, Massachusetts 38¢, North Carolina 25¢, New York 35¢, South Carolina 20¢, New Hampshire 39¢, Virginia 31¢, Rhode Island 37¢. The average hourly earnings of all employees in a selected week in 1922 were as follows: Massachusetts 40¢, Alabama 21¢, Georgia 24¢, North Carolina 29¢, South Carolina 22¢, Virginia 32¢. The latest figures, which are for June, 1923, indicate that average hourly earnings in northern mills were 31% higher than in southern mills, or 45.7¢ per hour as against 34.5¢.

It must be remembered, however, that the cost of living in the South is lower than in the North, especially because of the low

rents and the manifold social services provided in the southern cotton mill villages.

Hours in the South are longer than in the North. In the five southern States previously cited the average full-time hours worked per week in 1922 were 55.1; in the five northern States, they were only 50.5.

Laws in the southern States permit women and children to work from 54 to 60 hours a week, and women may work at night. In no New England State may women and children work more than 56 hours. In Massachusetts, where the maximum is 48, they are not permitted to work at night, with the result that night operation of the factories is made practically impossible. In order to receive the $19.63 which a Massachusetts operative, at the rate of $.409 per hour, would be paid for 48 hours work, the North Carolina operative would have to labor at his lower rate of $.292, 67.2 hours; or, if we consider the greatest spread, an Alabama operative must work, to receive the weekly wage of his Massachusetts brother, 93.5 hours.

The plight of the northern workers, particularly those in the New England States, is apparent. In some cases the firms by which they were employed have closed their mills indefinitely or put them up for sale; in certain instances plants may be reopened for cotton manufacture, but others will be used for better-paying purposes. Northern mills in increasing numbers have established branches in the South, usually to take advantage of the southern labor supply; this has meant not only cessation of expansion in the North, but also actual diminution of output from the existing factories. Northern operatives particularly have lost in coarse-goods work.

It is hard to maintain, and well-nigh impossible to improve, wages and hours in the North because northern mill men constantly hold up to their workers the threat of the South. A proposed reduction of 20% in wages in Massachusetts in 1922 was successfully resisted only at the cost of a five-month strike involving 18,000 operatives. New England mills have demanded reduction in taxes, threatening to fold up their tents and go South, if they were not granted relief. Three years ago, the cotton manufacturers of Massachusetts appealed to the State legislature to permit longer hours of work and thus lessen the pressure of southern competition; their brief was a veritable wail.

Northern operatives are not shifting to the South with the industry. Their old employers do not want them, with their unions and their demands. Southern workers, tractable and cheap, are the goal. Nor would northerners be welcome in southern industrial communities where the motive of home opportunities for home people is ostensibly strong, and the "soviet type of labor" is feared as a contamination of Anglo-Saxon harmony. Southern mill men with a few exceptions, such as at Durham and La Grange, disapprove, on racial grounds, of introducing Negroes into the plants. The colored worker, consequently, does not figure in the present picture.

An end to the exploitation of the southern differential must come. Any one acquainted with the facts feels concern for the southern workers who are in demand, and for the northern workers who are being left behind. Improvement in the South will be delayed perhaps many years by the eagerness of the section for augmented industry and capital. Effective State legislation to shorten hours and prevent child labor will arrive slowly, for legislatures and the press are powerfully influenced by the employing interests. The southern operatives have had no experience in concerted separate action; many of them are new to industry, grateful for recent escape from farm monotony, appreciative of welfare facilities, and unable to visualize themselves as a class.

Federal legislation is not even in the offing; it has been blown out to sea. The greater the number of cotton mills which come South from New England and the Middle States, the more forcibly will the disingenuous doctrine of States' rights be put forward, for with every advance in the migration, northern manufacturers will be less hopeful of staying their ruin through eliminating southern advantages and will be more eager to oppose limitations upon themselves. Nor will manufacturers' associations even up differences. Such organizations have been separate in North and South; if they come to concerted action it will be to lower the position of labor in the North rather than to raise it in the South, for the predominant interest will be in the latter section.

The obvious immediate resort is to organization. It is the function of a union to standardize. Why, then, if the southern operatives have worked under disadvantageous conditions, have they not long ago organized to bring their wages and hours up to the national standard? Ultimately, of course, the answer lies in the

newness of industrialism in the South. But recently isolated on small farms, the southern operatives had little opportunity, even after the transition to the mill towns, to learn about industry in other sections. Labor papers were and are both scarce and weak. Many mills are located in the open country; the thinking of the surrounding farmers colors that of the mill workers—and rural-mindedness has never been an aid to organization. Cotton mills are hard to organize anyway. Most of the work, especially in the South, is only slightly skilled; women and children have made up a large part of the force in the majority of mills; the devices of the union label and the boycott cannot be effectively employed; the mills are thinly scattered over a wide area; and depressions, with the excuse they offer for lockouts of union workers, are regular. The low wage level makes dues-paying hard.

These are hindrances enough to have given anything like a spontaneous organization of the textile workers a hard path, but the real difficulty in the way of such outcroppings of the union spirit as have occurred, has always been the manufacturers. Their opposition to organization has been based not only upon the natural desire to prevent any lessening of the unusual profits which the low wages and long hours permit them to make, but has been bound up also with the anxiety for southern manufacturing progress. They believe that increase in spindleage is to so great an extent the salvation of the section that extraordinary inducements to new mills, even to a continuance of exploitation of labor, are warranted.

Since the South could not of itself bring about a unionism that would give it normal conditions of labor, the natural procedure has been to bring in unionism from the parts of the country where it was already established. Almost since the beginning of the unions in the northern industry they have realized the task that awaited them in the South. Their efforts to bring about organization in the mills that were springing up in the new field have been hampered, however, by the troubles which they have had at home. The wave-like succession of races has left a polyglot textile population which, though organizable if the language barriers are overcome, takes to hasty unionism more readily than to the more conservative and durable type. The inherent difficulties of textile organization, the wide number of products and processes in the industry, scattered mills, low-skilled workers, and the rest, have

been emphasized by the existence throughout the whole history of the northern organizations of plural unionism. There are at present more than thirteen unions in the textile industry, some covering single crafts, others having industrial locals in the main centers of the by-industries, and still others claiming jurisdiction over all textile workers. The fundamental difference between those who wish to organize the industry along craft lines and those who wish for an inclusive industrial unionism has never been settled. The American Federation of Labor has fixed upon the industrial idea as the method to use for textiles, and with its aid, the affiliated union, the United Textile Workers of America, has denied regular standing to all groups which were unwilling to fuse with it. The U. T. W. has a centralized policy of a high per capita tax (which usually results in small local treasuries), of strike sanction from the international office as a condition of strike benefit, and of equality rather than diversity within the union.

With these principles the practices of many of the old craft and limited industrial unions, e.g. the Fall River and New Bedford weavers, the Mule Spinners, the Lace Operatives, have not coincided, and as a consequence there is cross-unionism with all its weakening effects. Until recently, though, as a matter of fact, only the U. T. W. attempted to exercise it. The American Federation of Textile operatives (comprising some three-fourths of the delegate organization of independents, the Federated Textile Unions of America) professes to organize all workers by crafts or by mill units. In 1924 one of its business agents estimated its membership at 12,000. The Amalgamated Textile Workers of America, organized in 1919 on the pattern of the Garment Unions, had in 1920 a membership of some 40,000, but the depression hit it hard and in the early part of 1925 it went out of existence. The United Textile Workers of America, by far the largest and strongest of the textile unions, included in 1920 some 105,900 operatives, but by 1923 it had fallen to 30,000 members. Wolman estimates that out of the 976,777 wage-earners in the textile industry in 1920 only 15% were members of trade unions. The percentage has certainly decreased considerably since that year.

The United Textile Workers has been the organizer of the South. Not only has it been able to call upon the A. F. of L. for aid, but it has itself shown all along a remarkable activity in trying to spread unionism in the new region. Its efforts have been full of

hardship. But in spite of these obstacles the organizers have not found it hard to get southern workers into unions. The women join nearly as readily as the men. There are no troubles arising from language, and the people are already conscious of a certain social solidarity from their contacts in the villages. If a hall can be obtained and a few speeches made, a good-sized town will sign up hundreds of operatives in a few days.

The problem is to hold them. The alarm of the manufacturers comes into full play as soon as a few "hands" have joined, and there are not many employers in the South who have any compunction about discharging employees for membership in a union. If a respectable membership is built up the management seizes the first trade slackness as an excuse for a shut-down, and after a time starts up with non-union operatives. Where unions have been organized and left to themselves they have generally died in a few months, but with a good deal of expensive care they have been kept alive for longer periods.

There was little vigorous unionism in the southern mills until 1919. In the period from 1898 to 1900 there were organized through the efforts of the A. F. of L. and the old International Union of Textile Workers some ninety-five locals, but after a series of disastrous strikes, and the subsequent merging, in 1901, with the newly formed United Textile Workers, they rapidly disappeared. From 1903 until 1918 the United regularly sent down organizers, and every year formed seven or eight ephemeral locals. Hard strikes were fought out, too. At Atlanta, Georgia, in 1914, at Anderson, South Carolina, in 1916, and at Columbus, Georgia, in 1918, a dogged unionism appeared. Troops were used in both these later strikes. In 1919, though, with the mills still running full tilt and with the International union numerically and financially at its strongest, the movement really got under way. Eight months of organizing brought in 67 new southern locals, 43 of them in North Carolina. It was claimed that by October there were 40,000 paid-up members in North Carolina and nearly 5000 in South Carolina.

The very conditions which had called organization into being made for immediate action. The chief complaint was the long hours. Wherever a union was formed it worked for a shorter week. In many places the locals got the 55-hour week at the 60-hour pay, and frequently trade agreements were signed. Strikes

were numerous. In Charlotte, Concord, and Kannapolis, North Carolina, and in Rock Hill and Graniteville, South Carolina, and even in the long dispute at Columbus, the unions won a part of their demands. Sometimes complete recognition was given, hours were shortened, bonus systems discarded, and conditions generally improved. In 1920 organization slackened and only 37 southern locals were formed. A district headquarters was placed at Charlotte, but the depression was being felt and the union had a hard time in holding its own. In 1921, with reductions announced almost daily, the organized workers at Charlotte, Concord, Kannapolis, Huntersville, and Rock Hill made a last stand for their unions. Some 9000 workers are reported to have gone out. The contest lasted for weeks, but the inevitable wage reductions came, and in the whole "strike zone" the unions were beaten. Since then there has been little renewal of the organizations. Depression and part-time work has continued in most of the South, and the mill people have been for months at a time in hard straits. There are struggling locals around Charlotte, which appear to be gaining ground gradually, but it is doubtful whether there are as many as 2000 paid-up textile workers in the South now.

Probably normality in southern cotton manufacturing must wait upon industrial maturity. The operatives will not take their full place in economic and civic participation until physical limits to exploitation are reached, and until all slack has been taken up by drawing upon the last available recruits and by improving the efficiency of labor. This process will be speeded up by competition between the ever-increasing numbers of cotton mills within the section. Auxiliary departments of the industry will find a footing in the South; after a period the South will no longer be dependent upon the North for the finishing of more than half of its goods. And other industries will take root and spread, affording an alternative to the factory that will be better than the farm.

When these things have happened, the cotton manufacturer within the South will find himself in a world competition where, except for a geographical differential in his favor, he will have to make his return through ingenuity under standardized conditions, and not through good fortune and the complaisance of his workers.

George Sinclair Mitchell.
Broadus Mitchell.

SECTION FOUR: THE WELFARE OFFENSIVE

CHAPTER XIX

THE INDUSTRIAL WELFARE OFFENSIVE

1. Types of Welfare Practices and their Purpose

Employers in the United States have learned a good deal during and since the World War. A number of them, from among the largest, have come to the realization that pre-war "rough stuff" does not always pay under the new dispensation. They have been converted to the view that the open shop can be preserved and its blessings realized more effectively in the long run by cultivating the workers as individuals than by frontal attacks upon their unions.

Whatever the outward claims made by the advocates and promoters of the personnel policies in establishing their various plans, often at not insignificant expense to the corporations, at final count they really are out to fortify the morale and loyalty of the worker to the business enterprise which employs him, to make him stay content with things as they are. Definite benefits, such as reduced labor turnover, long service records, devotion to the job, the avoidance of labor troubles, lesser labor costs, as well as a reputation for being an up-to-date and liberal corporation, are the objectives at which the welfare practitioners aim. The expenditures incurred by this kind of labor management are considered a profitable investment, if and when the ends sought are achieved. On the other hand, these "plans" are readily scrapped if they don't deliver the goods. Often the whole practice is discarded in connection with a change of management in the enterprise, as was the case with the American Woolen Company a few years ago.

2. The Scope of the Employers' Offensive

There are no definite and thoroughly reliable available data as to the extent to which the major devices in the welfare offensive have been applied and developed. More is known about the company union variety of welfare offensive often described as the works council, the shop committee, and the industrial council. The number of workers employed in corporations practicing employee representation of one kind or another is probably close

to one and a half million. In 1922 the number was below 700,000; in 1919 it was less than 400,000. It is stated that the company unions have gained since 1919 almost as many members as the A. F. of L. unions have lost, which coincidence, however, proves no point, since the two facts are not of necessity correlated. The gains to the company associations, in some cases, have been in industries where the trade unions had displayed rapid mushroom growth during the war. Altogether somewhere between 800 and 1000 firms now operate one kind or another of employee-representation plan in their plants. The spread of the independent association and the committee system was very pronounced on the railroads particularly after the defeat of the shopmen's strike in 1922. More than 60 railroad administrations now cultivate company unions in one or more branches of the service. The four train service brotherhoods are, of course, without exception recognized and have suffered no inroads at the hands of the company associations or bodies of company-trained or -minded workers divorced from the regular bona fide labor unions. Other industries which have been well punctured by the company union are the printing trades, metal trades, electrical industry and various public utilities. In certain sections of the country large groups of workers employed by a number of companies are sometimes lined up in a system of works committees negotiating with the employers' association. The Loyal Legion of Loggers and Lumbermen in the Northwest and the system of committees covering the waterside workers of Seattle are examples of this type.

Next in extent of spread of the devices or weapons in the arsenal of welfare is employee ownership of corporation securities. The number of firms which have offered stock for sale to their workers has been only roughly estimated by students of the subject. In the course of recent investigations into this subject some 400 firms have been mentioned as offering stock subscription plans to their employees. There are tables showing the *growth* in investments by employees for a number of selected companies. The increase in the number of employee stockholders of 1925 over 1918 is reported as follows by R. S. Binkerd, Vice Chairman, Committee on Public Relations of the Eastern Railroads (*Proceedings of the Academy of Political Science*, Vol. XI, No. 3, April, 1925): railroads 70,262, street railways 15,000, gas, electric light and power companies 75,000, telephone and telegraph 62,649, packers 7,000, ten oil

companies 21,153, five iron and steel companies 87,696; or a total increase in seven years in these selected companies of some 340,000 worker stockholders.

Group insurance is another rapidly developing device for fixing the worker's loyalty to a specific plant or company. Its growth may be measured by taking the total amount of the policies outstanding for the seven leading life insurance companies engaged in the business of writing these group policies for industrial concerns. In 1912 the amount of employee group insurance in force through these insurance agencies amounted to a little over $13,000,000. During the next five years this amount grew to over $346,000,000. In 1922 it had reached $1,852,593,553, a gain of nearly 600% in five years. By 1923 it had grown to $2,396,758,418 and the next year the companies registered $3,099,019,607 worth of this type of insurance on their books. In one company alone there were 540,000 workers' lives insured, with an average protection of $1300 per life.

There has been a similar steady rise in the number of companies using industrial pensions and in the amounts paid out to worker. A recent study by the National Industrial Conference Board estimates that more than $30,000,000 was spent during the year 1925 by American industry for employee pensions. This study covered pension plans conducted by some 245 different companies embracing 2,815,512 workers in practically every industry but notably in railroading, public utilities and metals. Of the companies covered in this survey 164 reported a total of approximately 36,000 pensioners already on their rolls.

Other welfare devices most in practice are mutual benefit associations, company magazines, profit sharing, thrift plans, building and loan groups, sanitation committees, committees on recreation, housing, athletics, country clubs, hospitals, social work, cafeterias, Y. M. C. A. services, service-pin associations, and probably another hundred varieties of uplift activity.[1]

3. What Employers Want the Welfare Offensive For

What specifically does a company hope to gain from the introduction of an employee-representation plan or a company union? The utterances of the employers themselves reveal their objective in establishing the company union. A few sample sentiments

[1] Cf. full description of these in R. W. Dunn, *Americanization of Labor*.

are worth quoting. In 1925 an employers' journal, *Factory*, conducted a symposium among business executives on the effectiveness of employee representation from the employers' point of view. One company president in reviewing the progress of the works council in his plants, said:

> Grievances of the personal type such as those having to do with wages, hours of work, working conditions, and so on, have practically ceased. Those that the council now discusses are more likely to do with the tools and machinery of production. . . . That of course suits us perfectly for it means greater production and lower costs.

Another executive, the head of a great steel corporation, answered the questionnaire:

> Grievances, in importance, are rapidly being replaced by constructive operation problems, covering such subjects as increased production, economy, better quality and service.

Still another, the labor manager of an important rubber concern, pointed out the stabilizing effects such a plan has upon the more discontented workers:

> Men who were radicals have been elected to the Goodyear senate or house of representatives and have found out the company's side of their problems with the result that they have become much more reasonable to deal with.

Companies that have tried out the company-union approach to the labor problem express the hope that they will be educational and school the worker in "sound business economics." Others consider the company union the one way of discovering what's on the workers' mind without the use of spies and undercover men. Others, again, talk vaguely of coöperation, mutual understanding, harmony and good will. Quite a number frankly admit that the scheme is nothing but an effective labor-union antidote.

An equally wide range of employers' motives are represented by the sale of stock to workers. Like profit-sharing, it is hoped that the ownership of stock, no matter in how negligible a quantity, will act as an incentive to increased efficiency and economy and will create an employees' vested interest in the company which the wage basis of the relationship does not promote. If the workers become attached to the particular plant, the labor turnover will be reduced and profits enhanced. One writer referring to employee stock ownership says that it increases the *visibility* of participation

in industry and "encourages the conservative worker to a greater and firmer interest in maintaining his future with the individual concern." A large paper manufacturer expresses it in this way: "Our thought . . . hinges around the building of a payroll of capitalists." The same shrewd executive explains why his company reduced the common stock issued to workers from $100 to $10 per share:

> The employees' stock could thus be issued in $10 units. There was a bit of psychology involved in doing all this. An employee who could tell his neighbor that he owned a share of stock in the company he worked for would perhaps arouse the comment, "Shucks! You don't amount to anything in that business." But he is a bigger pumpkin if he owns ten shares.

A bit of business psychology is also behind the fact that in this company dividend checks are paid to employees every two months in order to keep them constantly aware of the benefits of stock ownership. The employees are also good salesmen and show their checks to others. As an antitoxin against the preachings of radical theories the stock-ownership plan is also highly recommended.

Industrial pensions are introduced with substantially the same ultimate social objectives in view. These only begin to manifest themselves as the movement broadens and as the editorial interpreters of the employers' achievements begin to appraise the results and explain them to the world. Pensions are offered as inducements to long, continuous service by the worker. Loyalty is induced by fear of losing the benefit not received until the end of the long service. Morale is stimulated and the growth of laborism or radicalism is discouraged. The obvious anti-labor appearance of pension plans is realized even by the spokesmen for the employers. Thus, the National Industrial Conference Board in referring to the discretionary type of pension plan says that labor views this plan in particular as a subtle attempt to undermine the morale of their movement. They deprecate especially the insidious weakening effect upon organization discipline of favors received by some of their members at the employer's hands. They apprehend that in the event of strike or other conflict the older men might be deterred by the threatened loss of their pensions from acting in loyal concert with their younger fellows. That this apprehension is justified the experience of workers in the steel

strike in 1919 and in the railroad shop crafts strike of 1922, to mention only two examples, will amply illustrate.

For much the same reason group insurance schemes which have developed with amazing rapidity are introduced. The worker must of course stay with the firm that insures him in order to benefit by the plan. His mobility is correspondingly reduced; so is the likelihood of his answering a call to strike in case he is in an industry where unions are sporadically active. The objectives of this type of insurance are well expressed by President Haley Fiske of the Metropolitan Life Insurance Company: "If we can get into the minds of wage-earners the idea that they own capital in the form of policies, we shall have gone a long way toward teaching them the rights of property and the importance of corporations in which capital is invested."

4. Methods and Devices of Welfare Practices

It is impossible to do more than mention in this section a few of the provisions of the various welfare expedients whereby employers secure the objectives above stated. The benefits to be obtained from the plans are all graduated with respect to the length of service with the company. The longer the worker stays, the more he gets out of the plan. Turnover is the major problem to be solved, and all of these devices drive straight in that direction.

Then, too, the management naturally reserves the right to withdraw a pension, an insurance, a stock-ownership or a company-union plan whenever it wishes. *No legal contractual relation is involved even in the case of the pension schemes.* Another corporation taking over the plant, for instance, as Armour and Company, absorbing Morris and Company, leaves the pensioners without any pensions in spite of their long service for the latter company. The courts tell them they have no legal claim upon either company. The workers of the Steelton Steel Company fared the same way when the Bethlehem Steel Company absorbed their plant some years ago.

Finally managements keep a tight hold on the control of their employee-representation plans. On the councils and committees, the representative of the management—often the plant superintendent himself—is, by the constitution, appointed to act as chairman and general director of the "legislative" operations. Holding this strategic position he can always put over what the

company considers good business policy. The worker delegate may be ever so zealous in the interest of his constituents but the management holds the gavel and wields it softly but firmly. Under many of the plans the final appellate authority in the settlement of disputes arising in the councils is the President of the company, or as in the case of the Standard Oil Company of New Jersey, the Board of Directors. Occasionally outside arbitration will be permitted or a reference of the dispute will be made to some official in the national government, say the Secretary of Labor.

5. What Types of Employers use Welfare?

Our church societies and Christian socialists seem to be impressed with the good men who have applied the welfare treatment to industry. Such men as Dennison, Filene, Hatch, Hapgood, are reputed to be substantial Christian gentlemen. But for one of these modern saints disguised temporarily as *entrepreneurs*, we find, in running our finger down the list, a dozen corporate names which connote anything but peace, good will, and conciliation in industry.

Consider, for example, some of the companies that have embraced employee stock ownership, understanding as they do the psychological effects of a wider distribution of the *feeling* of ownership among the workers. Foremost among these corporations stands the United States Steel Corporation, whose president considers the Golden Rule to be the "panacea for the ills that sometimes appear to the moral, political, social, or economic life." The Interchurch Report on the Steel Strike will illustrate the late Mr. Gary's text. The Goodyear Tire and Rubber Company comes second in the number of employees included under this type of scheme. Its fight on the rubber-workers' unions is continuous and altogether effective. There is also the American Telephone and Telegraph Company, whose kindness towards its workers can be measured by the resolutions to investigate its anti-labor technique introduced at the 1925 convention of the A. F. of L. The Youngstown Sheet and Tube Company, which has made it a policy to fire union men from its premises, has a stock-ownership plan as effective as that of the United States Steel Corporation. The Union Pacific Railroad, one of the hardest of the hard-boiled western roads, which in 1922 broke a strike of shop-craft workers and made all new employees in that department

sign yellow-dog contracts, granting check-off privileges to a company union, can be added to the list. The Standard Oil Company and its subsidiaries as well as the Colorado Fuel and Iron Company need no introduction to those who remember the savage attacks they have made on union workers from Bayonne to Pueblo.

Where is the company in the list of employee stock distributors, company-union practitioners, pension providers, and insurance underwriters that will admit a real labor union to its plants, recognize that union, and deal with it through the normal processes of collective bargaining? That question is the touchstone to labor policy, and no person interested in the advance of the American labor movement should fail to apply it when confronted with the salesmanship of welfarism.

The Eastman Kodak Company is another employee stock-ownership company that does not tolerate disturbers and union enthusiasts in its own provincial heaven. Others are the Great Atlantic and Pacific Tea Company, which discharges any man suspected of affiliation with the clerks' union; the American Woolen Company whose labor policy is known to those who followed the textile strikes of 1913 and 1919; the American Sugar Refining Company, client of the Sherman Corporation, industrial spy agents; the Brooklyn Manhattan Transit Company with its yellow-dog contracts and company association; Armour and Company and Swift and Company with their "jungle" full of stool pigeons and strike-breakers; the Pennsylvania Railroad, dean of company-union roads; the Bethlehem Steel Corporation, Mr. Schwab's own principality, the company whose admitted policy it was to sell structural steel only to non-union erectors, and whose president, Mr. Grace, declared he "would not deal with unions, even though they embraced 95% of his employees"; the National City Bank of New York, a leader among the banking fraternity of labor deflators; the Lehigh Valley, another company-union road that introduced employee ownership and company unions partly to offset what it termed "the strong-arm method advocated by the Plumb Plan propagandists"; the Illinois Central, hostile to unions and the leader of many a drive against them; Henry Ford, who is the very soul of welfare as a business proposition; the Pacific Gas and Electric Company, heavy contributor to open-shop slush funds on the west coast; numerous public utility companies presided over by Mr. Samuel Insull of Chicago; the General Elec-

tric Company, where they fire men who agitate for the recognition of the electrical workers' union; the Westinghouse Electric and Manufacturing Company, notorious for its employment of thugs and deputies in past strikes; the Republic Iron and Steel Company, and the National Biscuit Company.

6. Some Conditions under Employee Representation

It is difficult to generalize concerning the relations of hours and wages to employee representation. In some industries there are scarcely any regular unions to set the scale which the parasitic company plans must follow if they are to carry the loyalty of their workers. In such industries very exceptional employers may have made no special effort to hammer down wages by using the company union as a mallet.

But in other factories not so paternalistically disposed toward their workers, as the activity of the open-shop employers drives wage rates lower, the more friendly employer usually has been compelled to make the necessary adjustments. He calls his workers together in their works councils and explains the situation to them. My competitor has reduced wages. I must reduce also or go out of business. Do you want to lose your jobs? is the gist of his remarks. And the workers, being human beings whose first concern is to have any employment at all, see the pressure of the situation and vote the appropriate reductions.

It is possible in a few cases to show what actually happens in regard to wages in a given factory when the company union is substituted for trade-union recognition. Take the textile industry as an example of an industry where the strength of the union is not sufficient to constitute a threat compelling the employer to keep wages under company unions up to the level of unionized localities. The Amoskeag Mill at Manchester, New Hampshire, is one of the largest cotton and worsted mills in America. From 1919 to 1922 the workers of this mill were represented in negotiations by the United Textile Workers of America, affiliated with the A. F. of L. More than half of the workers were in the union and these comprised the more skilled elements. The union secured the 48-hour week for the workers and somewhat better wages and conditions than those enjoyed in non-union centers. After the strike of 1922 against a wage cut, the relations between company and union were broken, and in 1923 an employee-representation

plan was adopted, in order that "the relations of the employees and the management may be established upon a definite and durable basis of mutual understanding and confidence." Since the adoption of this elaborate scheme of representation the following changes have taken place in working conditions and wages, according to officials of the United Textile Workers of America:

Under union recognition a skilled dresser tender or beamer averaged $32 to $35 for a 48-hour week. Today under "employee representation" the same class of worker works 54 hours and receives a minimum of $18 and a maximum of $28, the new processes introduced recently having divided the workers into four grades with the majority of the workers in the lower grades. The loom-fixer who formerly minded 60 looms and received on an average of $37.50 for 48 hours, now cares for 90 looms of the same type, and receives approximately $10 less for a week of 54 hours. The same story can be told of the weavers in both the cotton and worsted departments. More work and less money for the workers is the result of the plan which was adopted to "insure the maintenance of all joint relationships of the employees and the management upon a fair and just basis." In the Pacific Mill at Lawrence, another great textile concern, the conditions of the workers have been similarly affected since the introduction of a scheme which gives the workers "advisory powers." Allowance must of course be made in these comparisons for the general reduction of wages in the industry, a reduction, however, which was resisted in part by union mills.

In other industries where the union shows more strength than in textiles, and where the encroachments of the employee representation plans have not been so extensive, the companies have been forced, even with their new service machinery, to pay substantially the same wage as that received by the workers in union plants. In this sense the company unions may well be charged with parasitism, for what conditions they enjoy, when they enjoy them, have been won through the struggles of the trade unions in the organized plants.

7. The Trade Union Facing the Company Union

The trade-union official, faced with a dwindling membership resulting from the employers' schemes, is naturally driven to denounce the whole business of company unionism and welfare.

Especially if the introduction of a "plan" leads to a declaration of non-recognition by the company does the union leader resort to every device of argument. His contentions against the employee-representation plans are well known and often stated. He shows that the company union has no economic strength and no treasury, that individual representatives are responsible to no one unless it be to the company which pays their salary and their expenses, that the representatives may be intimidated or bribed, that the plan is almost always used to discredit and wipe out the real union, that company unions are often propaganda agencies for the employers' reactionary political and social ideals.

Particularly convincing is the contention of the unionist that the management is recognizing "outside" forces, "outside agitators," when he consents to accept instructions, pressure or force from the directors and stockholders of the company. Certainly, most of the directors, and the few controlling stockholders, are not insiders in any true sense of the word. Contrasted with this, the worker is investing his life in the factory. He must be there eight to ten hours a day. Every factor of technique and management affects him immediately and directly. Yet when he asks that his vital interest be represented by a trade-union official of his own choosing who gives his full time to the work, he is told that no outsiders will be admitted. Furthermore, the manager will call in to assist him in such negotiations as he condescends to carry on with his men an expensive staff of talent—lawyers, statisticians, investigators, industrial counsellors, service bureaus, with undercover operatives to spy on the workers, personnel managers. He will hire them with one end in view—to obtain the best possible terms out of such wage bargaining as he may conduct with his company-unionized workers.

These are the arguments of trade unionists and they are sound ones. What then can the union do about it? Can it control the company union? The phrase was used by the President of the A. F. of L. at the last convention: "If representatives of the union control any employee-representation plan offered by employers, it ceases to be a menace." And in the *Federationist* of October, 1925: "Wage-earners will do themselves and industries a great service when they capture company unions and convert them into real trade unions. The machinery of the company union offers a strategic advantage for such tactics. Use that machinery

as a basis of a real organization." William Z. Foster of the Trade Union Educational League points out some of the appropriate tactics for capturing company unions by exposing their "hypocritical pretenses" and by "penetrating these organizations by putting up candidates in the shop elections against the recognized company candidates." Implicit in the statements of both these leaders is the major purpose of complete destruction of the company union once the boring from within has been successful. Some idealistic personnel managers have spoken of the compatibility of trade and company unions and the possibility of their functioning in the same plant. But Green and Foster know, as every realistic labor unionist knows, that the two are diametrically opposed in principle and practice and that they represent distinct and conflicting systems of labor relations. They can not grow in the same garden. In the half dozen or so plants where they have succeeded in doing so it has been at the expense of the vitality of the trade union. Indeed many trade unions have done their best to work with the company union before making efforts to displace it. For example, the Order of Railway Telegraphers captured completely the committee under the Pennsylvania Plan of Employee Representation. But even with the backing of the Railroad Labor Board, and other government officials, they were unable to turn this advantage to account. The company simply ignored their union and attempted to force them to act as individual representatives and not as unionists. When the union men were adamant the company hand-picked its own committees in an election which the real union was forced to boycott. It had already tried without success on three occasions to go along with the plan and the company elections.

But no matter how effective may be the work of trade unions in occasionally capturing a company association, the question may be posed quite frankly: What are the unions doing within their own house to withstand the attacks of the company-made councils? Do they realize how much the employer is stressing factory solidarity as against craft solidarity? Do they realize that this argument sounds persuasive to unskilled workers, with no trade or craft, who work in the increasingly mechanized industry? The manager who is introducing a representation plan—or in fact any other sort of welfare device—talks to the workers in terms of the plant. The trade-union organizer talks to them

in terms of craft, using the hoary symbols of a generation ago, about molders and patternmakers and machinists and the dozens of other crafts that are rapidly diminishing in importance, for example, in the automobile industry. Which is likely to catch the workers' ear? The answer is clear in the experience of the unions during the last few years, and in their failure to launch any drives against the big steel, rubber, electric and automobile companies. They are trying to use a wooden plow to cultivate a modern 5000-acre farm. The steel strike of 1919, the railroad strike of 1922, and other great industrial conflicts have demonstrated what antiquated tools the craft unions have become in the business of organizing the big manufacturing and transportation industries. The confusion and disillusion bred by craft-union failure in the worker's mind has made him easy prey for the personnel expert offering salvation in the form of the company union. That confusion and dismay will not be lifted till the unions move toward real amalgamation rather than general, generous, but meaningless expressions of goodwill toward one another in time of strike.

Not only would a driving program of amalgamation hearten the workers who have been caught temporarily in the net of company-constructed unio[illegible]. It would also strike at the roots of the whole practice of welfarism as a technique of chloroforming the group consciousness of the workers. It would reveal the true nature of profit-conscious uplift.

When the trade-union leaders begin to talk seriously of amalgamation they may be taken seriously when they lay plans for boring within the company unions. Until then the employing interests can continue their welfarism at top speed. There is no force to challenge their professions and to arrest their processional.

ROBERT W. DUNN.

CHAPTER XX

THE CHALLENGE OF COMPANY-MADE UNIONISM

1. The Trade-Union Movement Is Facing New Conditions

The American trade-union movement has struck a snag. After a century of intermittent struggle for existence and recognition and more than a generation of organizing effort on a national scale, it has succeeded in permanently enrolling a bare tithe of the country's industrial wage-earning population. Still more arresting, perhaps, is the fact that the growth of the movement has been checked at a period of almost unparalleled industrial activity. While the concentration of wealth and power in the hands of the directors of industry and finance is progressing steadily and at a rapid pace, the organizations of labor seem to be lagging behind instead of gaining ground. Instead of greater organizing zeal and increased flexibility of policy and method in the union councils, there are evident signs of fatigue, if not of old age. In the very complacency of many of the older leaders in the face of new problems and opportunities confronting them, there is implicit a certain unpreparedness on their part to meet the challenge of changing industrial conditions.

This challenge presents itself today under two main aspects. First, there is the continuing mechanization of industrial production, the well-known process of division of labor which reduces the task of the individual worker to a highly stereotyped system of relatively simple movements, endlessly repeated. The notorious effect of this development upon the trade unions is to undermine the craft basis upon which they were built and to render both their traditional structure and strategy obsolete. It brings together workers of many different forms of skill, whose affiliation with their respective trade unions rests in large part on an arbitrary jurisdictional allocation among them. The resulting jealousies and rivalries among different unions engaged in the same industry, each independent and autonomous and each competing against the others for members, only weaken all in the common effort to organize and to participate in the control of the industry.

The other outstanding obstacle challenging the progress of unionism in American industry today is what might be called the welfare offensive of the employers in many non-union plants, i.e. a labor policy of conciliation and appeasement. The experience of the war days taught many employers the economic value of what was called the "morale" and "loyalty" of the working force. They came to the realization that the difference between the workers' blind or sullen obedience to authority and their willing and intelligent coöperation with the management was to be measured in terms of reduced labor turnover, elimination of waste, increased output, constructive suggestions, continuous operation, and, ultimately, of dividends. The price to be paid for such gains was found to consist not merely in a relatively high rate of wages and relatively good working conditions, but also in the provision of organized channels of communication and discussion between the employees and the management. The essential purposes of trade-union organization thus became the objects of the labor policy of the employer.

As a consequence, the trade unions have come to regard the new personnel policies as aimed at their own existence. The more alert among the leaders now see the obstacles to continued growth of their organizations not so much in the outright opposition of employers hostile to unionism as in the skillfully cultivated indifference of the workers themselves to the unions' appeal.

2. Company Unions Endowed with the Shadow but not the Substance of Control

Viewed against the background of the older labor policy or lack of policy of the "open-shop" employer with his personal, more or less autocratic, more or less benevolent, authority over his workers, the new relationship seems to mark a step toward a more democratic type of industrial government. It recognizes, if reluctantly, the impossibility of maintaining that close human contact between employer and employees, which was all-sufficient and effective in the small workshop of an earlier generation under individual proprietor-management. It acknowledges the possibility of grievances arising from this loss of the personal touch and the necessity of establishing a check upon the abuse of authority by subordinates. Finally, it sets up some form of machinery for the appeal and adjustment of complaints, and

admits, if only verbally, the employees' right to a voice in the determination of conditions affecting their immediate welfare.

It is, however, no part of the employer's intention, in setting up representation machinery of this kind, to relinquish in any manner or degree his executive authority over the business. He reserves final and complete decision in all matters of policy, and whatever form-rights and privileges may be conceded to the employees' representatives by the plan, he conceives of these as purely advisory and in no event as encroaching upon his proper managerial powers. The question as to the limits of managerial powers is scarcely ever raised, for they are assumed to be limited only by the ultimate power of the board of directors, speaking for the stockholders of the concern, to instruct, overrule, or dismiss the management. The employees' representatives are granted an opportunity to be heard on certain subjects of direct concern to them, not because of any inherent right to share in the making of policy or decisions on such subjects, but for the purpose of assisting the management in so formulating and presenting its decisions as to obviate possible dissatisfaction and friction in their execution.

It is true, the employer does not usually emphasize this purely convenient character of the conference machinery, the unreality of its powers. In order to induce the mass of employees to accept it and work with it in good faith, he must persuade them of its effectiveness in getting results for them as well as for the company. As a condition of "selling" to them the representation scheme at the outset, the employer is obliged to present it as an instrumentality for bringing men and management together for the joint consideration and adjustment of mutual problems. And for continuing to sell to them his policies and decisions by means of the machinery, he must maintain an appearance of joint deliberation and action. But the appearance must do duty for the reality, inasmuch as the management's very purpose in setting up the committees would be defeated, were it to submit to an actual check upon its executive authority through the vote of these committees. While the latter may be allowed to go through the motions of parliamentary debate and the passing of resolutions, the final adoption of any proposed measure and its execution invariably rest with the management. It is this ambiguous situation which has given rise to a great deal of "bunk" in the utter-

ances respecting company unions—especially those of the "industrial democracy" type—on the part of their promoters.

The discussion in committee of controversial questions is intended not as a parliamentary procedure for modifying the management's labor policies and decisions so as to embody the divergent views and interests of the employees. Its object is to create a psychologically favorable atmosphere for the reception of such policies and decisions. In the process of discussion, it is true, the management may discover reasons for modifying its original decision either in form or content. But such afterthoughts usually concern minor details and rarely affect the essential substance or purpose of the action in question. At all times the assumption lying back of the relationship of management to the representational machinery is that since management bears the sole responsibility for the conduct of the business, it must be unhampered in its freedom to formulate and its authority to execute policies.

The simple fact is that management's actions affecting employees as a group are governed by expediency. A far-sighted management will find it expedient to take prompt account of employees' opinions and the strength of feeling with which they are held. In this way much ill-feeling can be avoided and a spirit of confidence generated. A less intelligent management may seek its advantage by making the least possible concessions to employee demands, and even these are likely to be made under the pressure of acute unrest or of high labor turnover.

3. The Trade Union Is the Only Effective Source of Power to Balance that of the Company

The enlightened quality of the management, important as it is in determining the liberal character and administration of the representation system, is not the only factor to be considered. Another factor of at least equal weight is the economic position of the employees themselves over against the management. Some of the most advanced forms of employee representation are found in those industries in which trade-union collective bargaining had prevailed before the introduction of the company union. The customary rights of the workers in these cases, as embodied in shop rules and agreements, could not be summarily withdrawn even when the trade unions had been repudiated by the employers.

The company unions inaugurated in the wake of strikes lost by the trade unions and as substitutes for the latter, frequently embody in their by-laws many of the terms of the discarded agreements. As a general rule, the rights and privileges formally accorded the employees under a representation plan reflect the effective or potential pressure which they can exert upon the employer. Where a trade union, even though unrecognized, exists in the background, it may be a dynamic factor in liberalizing not only the constitution of the plan but also its operation. In order to offset imminent union agitation or to wean the men's allegiance away from their unions, the plan must offer them some sort of equivalent for the advantages of independent organization which they are to forego. This competition between the company union and the trade union ceases as soon as the threat of unionization disappears. If it disappears because the trade union, unrecognized at the hands of the employer, is unable to function for job control and eventually to hold its membership together, the employees may be gradually stripped of many of their original prerogatives under the plan, a process which they are powerless to resist, even when they perceive it.

Apart from the existence or strength of trade-union organization in a given industry, there exist certain differences of personnel, e.g. in age, sex, race, skill, and industrial background, which condition differences of attitude toward the authority of management and the rights of workers under a representation plan. In general, men are more disposed to assert themselves in council than women and girls, and skilled, intelligent workers more than their unskilled and unschooled fellows. In many plants the mass of workers are slow to feel, much less to voice, a need of participating actively in the government of the shop. Here, as in the community at large, paper constitutions and the forms of representation bear little relation to democratic practice. In the absence of independent organization and of meetings of the workers unattended by the representatives of management, no coherent public opinion among employees develops. The representation machinery itself is representative of the employees, but not exclusively so, since in practically no case is regular consultation between the committee members and their constituents as a group provided for. Furthermore, in most cases, the elected representatives of the employees are given to understand that their rôle is not that of

delegates, expected merely to express the views of their constituents. They are to regard themselves, in a sense, as an intermediate group, selected for their superior ability to see the company's point of view as well as the employees'. While they are authorized to reflect the opinion of their constituents for the information of the management, they are at all times to keep their minds open to the facts, suggestions, and arguments submitted by the management, and to form their own individual opinions in the light of these.

It is a highly characteristic feature of non-union employee-representation schemes that after they have been launched they still need the continuous guidance and control of the management for their successful operation. This guidance and control may be indirect and invisible, as in the case of certain company unions of railway employees, which to all outward appearances are autonomous organizations. As a rule, however, the company's control is scarcely mitigated by such paper provisions as equal assignment of votes and offices on the committees, election of chairman or secretary of the council, protection of representatives against unfair discrimination, or even ultimate appeal of unsettled issues to arbitration. Each of these formal guarantees of equality of the parties is found, upon closer inspection, to break down in practice under the pressure of the unequal distribution of effective power. The balance of power must always favor the company whose representation is unified and instructed; the reins of control must always remain in its hands. Otherwise, the benefits of the plan from the company's standpoint will be outweighed by its disadvantages in the form of encroachments upon managerial authority, and it would be illogical to maintain the plan on such terms.

4. How the Unequal Balance of Power Operates where Divergent Interests Are Involved

It is in the practical working of the company union, particularly in its handling of controversial matters of importance, that it distinguishes itself most clearly from the trade union. Where only questions of routine administration are involved, the company union or works council, as it is more generically called, functions with a fair degree of efficiency within the limited scope of its task. Through its instrumentality the management makes known to the

employees minor innovations in shop rules and procedures adopted by it, and possibly also the reasons and purposes prompting these. New personnel and welfare policies may also be submitted for discussion and clarification in this way, as a formality of their promulgation. The employees, on their part, bring up at the joint meetings various matters of administrative detail and petty complaints, which, being referred to subcommittees or decided upon the spot, are then passed on in the form of recommendations to the management for action. If the management is really concerned with maintaining the prestige of the works council, it may relegate to an official, usually the personnel executive, the duty of securing prompt action upon such recommendations as conform to the established policy of the company, or have been duly approved by it. Where the management in its attitude is less sincere, this official, if provided at all, may be expected to retard rather than to expedite the carrying out of such measures and by persistent inaction to discourage a multitude of requests.

The domination of the committee procedure itself by the management becomes evident when the issue is one involving substantial changes in labor costs or other expenses of operation whose effect on profits is not immediately compensated by corresponding changes in productive efficiency. A typical case is a proposal by the management to cut wages in the plant. If the management decides to submit the matter to the council for discussion, it does so with distinct reservations. It assumes no obligation to modify its predetermined policy as to the manner of effecting the cut or as to its extent. Its purpose is merely to announce its intention in the most propitious setting and to explain or, if necessary, to sell it to the employees by means of facts and arguments. While many employers declare that their works councils or company unions greatly aid them in selling unpopular decisions to the rank and file, others disclaim a desire to use the machinery in this way or to give the representatives any discretion in accepting such decisions of the management. In those cases where the representatives are privileged to debate the question, the management is, as a rule, alert in guiding and restraining the discussion and forestalls any formal vote being taken, if the prevailing opinion be adverse. In such cases it is customary for the general manager or other prominent executive of the company to appear before the committee and to submit statistical or other data in support

of the proposal. The employee representatives, being for obvious reasons not in a position to check the accuracy or adequacy of such data, can only counter with impressions from their limited personal experience. And even if they could make a cogent case in opposition and could by a vote record themselves as a unit against the wage cut, their conclusion would have merely advisory force, bearing only such weight as the management chose to accord it. Ultimately, the only alternative open to employees to accepting the wage cut decreed in advance by the management is to surrender their jobs as individuals. The resort to the strike, which is an available alternative for workers organized in trade unions, does not exist, for practical purposes, for members of company unions.

A similar procedure governs the obverse type of situation, where the employees through their representatives petition the company for a wage increase at a time considered inopportune by the management. If the latter deems it advisable to meet such a request with something more than a polite refusal, it may submit to the council certain general information upon the state of the business, markets, prices of materials, tariff protection, domestic competition, cost of living, wages in similar establishments, and the like. The employees, unless convinced by this display of fact, may argue their case in terms of individual instances and casual observations, but they cannot successfully refute from their own knowledge the arguments of the executives. Since these are conclusive, for purposes of policy, it is only a question of affording to the dissenting elements among the employee representatives an outlet of expression. Indeed, discussion in the committee is sometimes encouraged by the management in the knowledge that it leads "the radicals to talk themselves out" and incidentally to betray themselves as a troublesome opposition. Here, again, the meeting is usually adjourned without an opportunity being given for a definitive vote by the members.

5. The Protection of Employee Representatives against Discrimination

Virtually every employee-representation plan gives some kind of formal assurance that elected representatives shall not suffer discharge or other discriminatory treatment on account of any action taken by them in good faith in the performance of their

official duties. This protection is promised not only as against foremen and superintendents but frequently also as against their own constituents and fellow employees, thereby aiming to encourage a certain independence toward both. In this as in many other respects, however, practice lags behind theory. There is sufficient evidence of victimization or suppression of employee representatives whose outspoken behavior is resented by their departmental executives, to raise at least a question as to the value of the guarantee. The disciplinary pressure upon such representatives may take various forms. Relatively infrequent is their outright discharge for presenting or urging a request from the men upon the management. Discharge orders as well as other less drastic forms of discipline are usually applied by minor executives and in such a manner as to conceal their discriminatory character. The burden of proof of discrimination resting upon the employee, his chances of redress by appeal to the higher management, are meager. They are still further reduced by a policy prevalent among managements to uphold the decisions and acts of subordinates in such matters, except where flagrant abuse of authority can be shown. In order to avoid the appearance of arbitrariness or injustice, the management occasionally seeks the confirmation of the committee itself for such disciplinary decisions as might otherwise be open to challenge.

There are, of course, many ways besides that of discharge to silence an obstreperous committeeman. Among those so invoked are transfer to another department under the guise of promotion, or of demotion, as the case may be; preferment in the form of appointment to a subcommittee chairmanship or to membership on a joint commission traveling at the company's expense; or, in extreme cases, recall by a vote of the shop or by order of the management. In the election of representatives, also, the company may exert a far-reaching influence by tactfully endorsing acceptable candidates and disparaging those in whom it has no confidence. While this type of selection is not generally avowed, it is widely practised, and is sometimes defended on the ground that mutual confidence is the indispensable basis of success of a company union; hence the agitator and the radical are a menace to its smooth operation and must be suppressed. In order to make its influence effective in this way, however, it is necessary for management to use discretion and restraint. Dictation, when recognized as such

by the men, is quickly resented and brings the entire machinery into discredit.

6. The Effect of the Company Union on Labor Standards: Non-competitive Industry

In so far, then, as the trade union functions as a standardizing agency, as a bulwark against the unscrupulous competition of certain employers at the expense of their workers, the union struggle is directed against the substandard employer rather than against all employers as such. It is the former who, by beating down wages and working conditions, gains an unfair advantage in the market. And to the extent that his competitors are obliged either to follow his destructive example or to be crowded out, he keeps the union weak, standards low. Viewed, on the other hand, as a dynamic force, a powerful trade union becomes an ally of the "fair" employer. Having renounced for himself that anarchic competition which thrives at the expense of labor conditions, he henceforth stands to gain from the standardization and stabilization of those conditions through collective bargaining that is the union's program. It is a question of far-reaching import for the theory of company unionism, whether any employer who is not a dominant factor in his industry can permanently dispense with such trade-union support without being swayed in his own wage and labor policy by that same anarchic competition. Experience [1] seems to supply a generally negative answer to the question.

The fact remains that many employers chafe under the "dictation" of the trade unions and seek at opportune junctures to rid themselves of this restraint.

They say that the need for vigilance and organization in defense of minimum labor standards against competitive undercutting has passed.

The new type of industrial manager now coming to the top, professionally trained for the most part and of broad economic outlook, is said to recognize fully the economy of high wages, of humane working conditions, and of all those personal policies and services which make for contentment and stability in the force. He does not wait for a mounting labor turnover or other mani-

[1] A striking illustration among many is the action of so powerful a corporation as the Colorado Fuel & Iron Company, which in 1926 reduced its miners' wages to the 1917 level on the ground that many of its competitors had done so in repudiating the Jacksonville agreement with the U. M. W. of A.

festations of discontent to push him into concessions along these lines. He will act, rather, in anticipation of employees' demands and even keep somewhat ahead of prevailing market standards in his locality, in order to attract and retain the most desirable type of workers. On the other hand, these executives are generally agreed that the desire of the average wage-earner is not for active responsibility in management, nor even for exercising a constant check upon the latter. As long as the employee's confidence in the fairness of the company is not destroyed, he asks no more than a consultative voice in the determination of his wages and other conditions of employment, in addition to the opportunity to have his complaints and grievances presented without prejudice to himself. This, in form at least, the works council usually provides, and does so without infringing the substance of managerial authority.

Plausible as this view of the case appears on the surface, it does not jibe with the workaday facts of industrial experience. Industrial managers, however enlightened, are primarily responsible to the owners for results—present results demonstrable in terms of dividends and the balance sheet. Even where price competition is of secondary importance as a determinant of labor standards, the incentive for reducing labor costs remains operative in the form of keen rivalry between executives of departments within the plant or of different plants under the same corporate management. Labor costs may often be reduced, within certain limits, without reducing earnings or itensifying effort. But beyond these limits the workers' standards are likely to suffer either absolutely or relatively; and shop foremen and other minor executives are prone to overstep them, whatever the policy of the general management. For example, if piece-rates are set by time study in an industry where operations constantly change, there is a constant temptation to "nibble" at the rates on the part of the time-study officials. If piece-workers by dint of long practice at a given operation succeed in raising their earnings beyond a certain level, their rate is liable to be cut.

In general, however, in so far as the point at issue is the relative service to the worker of the company union versus the trade union, the wages of all grades of labor would have to be judged, first, by comparison with union rates of wages paid outside for corresponding labor and, secondly, in relation to the capacity of the industry

to pay. Whatever be the facts shown by either of these comparisons, the workers under a company-union régime have no definite means of ascertaining them and are therefore unable to check the company's claim that it is paying better than prevailing rates of wages. Their inability is due to two circumstances. On the one hand, the company union is constitutionally co-extensive with the individual plant—except in those isolated instances where it includes a group of similar concerns regionally associated. This lack of contact on the part of the employees of the plant with their fellow workers in the industry at large or in other industries renders impracticable the systematic exchange of information upon wage rates and earnings among them. Moreover, in those very industries which are highly integrated and in which the "high wage" myth is most persistently circulated, trade-union organization is for the most part non-existent or ineffectual, and comparison is on that account difficult. It does not, however, necessarily follow that such organization is superfluous for securing high wages to the workers. On the contrary, it is legitimate to speculate on what would be the effect of a vigilant independent labor organization equipped with the facilities for gathering and presenting information as to industrial conditions, profits, wages, cost of living, and other economic facts, and, not least, with actual bargaining power supported by its power to strike, if necessary. It is not unlikely that under such auspices the employees in a non-competitive industry would command a still higher rate of earnings than they now do under a company union, by which they virtually commit their economic interests to the keeping of a benevolent management. So far from being content, as is the company union, to maintain the "current rate of wages," a progressive trade union ever seeks to advance its standards to the extent that the industry can afford, consistent with its continuing prosperity.

7. The Effect of the Company Union on Labor Standards: Competitive Industry

The real clash of principle, however, between the company union and the trade union occurs in those industries which are still more or less genuinely competitive and decentralized in structure. Here, in the absence of trade-union organization and standardization, wages and labor conditions generally are exposed to the unmitigated pressure of the "higgling of the market."

While the policy of attracting and retaining a stable working force operates here, too, in favor of offering humane conditions of employment, these tend rather to take the form of welfare features, e.g. group insurance, service pensions, stock subscription, works committees, than of higher wages and shorter hours or similar unconditional benefits. The criterion of a fair wage in such an industry is, in the nature of the case, the prevailing rate for the given craft or grade of labor. If the craft be strongly unionized outside the particular works, the determining factor in the rate will be the union scale. Under certain circumstances it may even exceed that scale, at least temporarily, as when an employer seeks to induce his men to desert their own union for the company union—and for some time afterwards, in order to establish confidence in the latter. Then, when the power of the trade union has been thoroughly undermined and the mass of workers in the plant are gathered into the company union, the employer will be in a position to take full advantage of competitive conditions in the local labor market.

In thus resuming the upper hand, to be sure, a farsighted management does not proceed in a vindictive or tyrannical manner to impose its will upon the employees. The resurrection of their militant organization often remains as a potential menace in the background. Conciliation and the strengthening of mutual confidence are the watchwords of the new policy.

When one or more influential factors in an industry affected by a business depression announce a wage cut for their employees, the rest must follow suit on pain of being placed at a competitive disadvantage. This latter point is a powerful argument at the disposal of an employer, particularly in convincing a works committee of the sincerity of his action as entirely defensive and in deference to inexorable economic law. It is an argument, however, that, like a two-edged sword, is also capable of offensive application. That is to say, an employer may urge his men to consent to a wage cut or other retrenchment at their expense, merely in order to give him an immediate advantage over his competitors as regards labor costs. His appeal, however, will be to their self-interest no less than to their loyalty, stressing the fact that reduced costs will enable him to bid successfully for orders and to keep the shops busy, whereas otherwise he would be obliged to curtail the force or shut down entirely, while competitors got the work.

Needless to say, such a local arrangement is but one step removed from individual bargaining, and its degrading influence upon group standards of wages is the same as if it had been arbitrarily imposed. It initiates once more that vicious circle of substandard competition from which there is no escape save by way of collective bargaining.

The company union thus serves as an instrumentality in the hands of the employer for strengthening his competitive position in the industry. By setting up an offensive-defensive alliance between him and his employees, it enables him to oppose a single front to his competitors, unbroken by conflict or tensions within his lines. But by the same token it cuts athwart the lines of solidarity uniting all the workers in a given trade or industry in their common struggle to better their condition as workers. Whether this struggle be waged against the inroads of unchecked competition upon their standards, or against feudal industrial relations, it is incompatible with the cultivated isolation of each individual plant and enterprise as an autonomous unit over against every other. Under the "open-shop" policy, as adhered to by the great majority of concerns operating company unions, this antithesis is tacitly recognized. It is implied in the company's claim to the employees' exclusive loyalty and coöperation, and in the attempt to bar "outside" leadership, suggestions and affiliations. From the standpoint of the absolutist employer as well as from that of the workers' economic class organizations, the two types of allegiance are mutually contradictory and destructive.

8. The Instability of the Company Union in all its Forms

In so far as the company union becomes a strategic factor in the conflict against the trade union and its militant objectives, it is inherently unstable. It is more than doubtful whether, in the long run, the bulk of American workers can be prevented from forming and controlling their own economic associations, independent of the employers' patronage. Nor is it likely that the employer can permanently hold the confidence of his employees by any device which serves ulterior aims not openly avowed. There exist, it is true, a small number of company unions whose by-laws clearly proscribe affiliation on the part of their members with independent labor organizations of the trade-union type. But

this rule usually forms part of the individual contract of employment, and it may be questioned whether its acceptance by the employee is a strictly voluntary act. It is a significant fact that its adoption by the company has invariably followed a conflict with the trade union ending disastrously for the latter. Moreover, despite the rule, trade-union agitation within the ranks of these company unions is a phenomenon by no means unheard of.

The attempt to dislodge the trade union by promoting the company union as a substitute form of organization for representing the workers' interests in industrial relations, promises scarcely better success. A considerable group of employers, while renouncing the use of their representation schemes for outright opposition to the unions, seek a similar end indirectly by alienating the latter's membership. Without openly discriminating against individual union men as such, even as members of employee committees, they yet deprive the union, by non-recognition, of its immediate reason for existence. It consequently loses prestige as well as control in competition against the newly established company union, which, while costing the employees nothing, is commended to them by the management as serving their interests even better—their interests, that is to say, in so far as they do not actually diverge from those of the management. The practical unreality of the powers of the company union may commend it to the employer as a convenient disguise for his autocratic domination. But it tends at the same time to impair rather than to build up the confidence of his more discerning employees in his sincerity. The fatal weakness of this widely current type of employee-representation policy lies in promising more than it can consistently deliver. Hence the challenge of the trade union remains.

There is still another group of employers, who disavow antagonism to the unions in any form and profess a policy of more or less tolerant neutrality toward them, short of actual recognition. This attitude is to be found particularly among those employers in whose industries the unions are conspicuous by their absence. If recognition be accorded the unions, some mutually satisfactory *modus vivendi* may be worked out between them and the works committees. The possibilities present themselves thus: the committees would have to be severely circumscribed in their scope and functions, in order that these shall not impinge upon

the necessary jurisdiction of the unions. Furthermore, the unions would aim to control those committees, both as to membership and as to leadership.

9. A Functional Integration of Shop Committees and Trade Unions

For the amicable discussion between management and men of these and similar topics of mutual interest, works committees are doubtless singularly adapted. Their personal familiarity with the details of operation and their proximity to local problems and needs as they arise, render them the most available agency for investigation, conference, and recommendation. The informality and flexibility of this conference machinery, moreover, lends itself particularly to the adjustment of such differences as rest merely on misunderstanding or trivial fault. But for reasons already suggested, employee committees, acting alone, are unfitted for disposing authoritatively of controversial matters involving questions of principle or policy, or for dealing constructively with the larger problems of industrial government. At these points their jurisdiction must end and give way to that of the trade union or its equivalent.

The works council or company union is by its very structure incapable either of legislating or of adjudicating in matters involving an irrepressible conflict of interests. Even if it possessed the necessary resources of knowledge and power to meet the management on an equality, which admittedly it does not, it would still not be able effectively to protect the employees' fundamental interests. For such conflicts usually grow out of conditions transcending the ability of the individual company to control. And in any event the appeal is to the final arbitrament of the management, itself one of the interested parties.

Under a collective bargaining regime, on the other hand, the law of the industry takes the form of an agreement jointly negotiated and administered. Its terms embody the essential interests of the workers in the industry to the extent of their relative bargaining strength at the time. The rules and standards thus enacted are mandatory upon the employer as well as upon his employees, and they usually imply the existence of a joint authority, superior to both, for their interpretation and enforcement in disputed cases. That authority is the union of the workers in

conjunction with the association of employers—these two being the principal parties to the covenant itself.

As already indicated, the standards and principles laid down in the joint agreement logically define the scope and jurisdictional limits for the employee committees within the plant. The point has been stressed that works councils in open-shop establishments, created and dominated as they are by their respective employers as a device of personnel administration and control, stand in sharp opposition to the trade unions with their class aims and outlook. The employer's recognition of the union, however, and his adoption of a collective bargaining policy does not necessarily entail the abolishment of employees' committees as such. It does entail the accountability of those committees to the union—their operation, in a sense, as organs of the union. They now function in a dual capacity. On the one hand, they represent the union in the shop; i.e. they are charged to watch over the reciprocal observance of the jointly established rules and standards, whose purpose is the safeguarding of the essential rights and interests of all the parties under the agreement. On the other hand, they represent their fellow employees in the plant, who have an immediate stake in their jobs as conditioned by the prosperity of the business. In this capacity they meet and confer with shop or plant officials on questions bearing on improvements in operation and other strictly internal matters of mutual concern, including minor disputes capable of satisfactory accommodation through direct conference between representatives. The discussion and decision of these matters does not, as so often under a non-union representation system, constitute a menace to existing standards through nibbling, intimidation, and the like. On the contrary, it sets in where the standard minimum requirements of the agreement leave off, and aims at advancing the latter locally by dint of mutual coöperation and confidence based on the solid ground of mutual respect.

In conclusion, a word of speculation regarding the outlook for American trade unionism under the new conditions. The phenomenon of the company union and its persistent development is already showing its effect upon the trade unions and their reorientation, if thus far only in occasional utterances of their leaders. Enough has been said to show that for the stability and maximum coöperative usefulness of works committees —especially,

though not exclusively, in competitive industries—it is desirable that they be supported by a system of joint control or guarantee of basic labor standards throughout the industry. In other words, they require for their full effectiveness the security of rights and of minimum conditions which only a strong trade union can afford them. On the other hand, it is no less true that the unions themselves, in order to function effectively under the conditions of modern large-scale industry, have much to gain from the operation of a system of works committees, supplementing their own bureaucratic machinery.

The failure of American unions to gain a permanent foothold, not to speak of control, in the technically most advanced industries—in contrast with the spread of the company union there—is to be understood in the light of their backwardness as to structure, policies, and methods. The dominant tradition of craft separatism, suggested in the very name and associated for the most part with a defensive and restrictive strategy, was a passably successful adaptation to a pioneer stage of industrial capitalism, where the "beneficent system of natural liberty," otherwise known as free competition, held untrammeled sway. It is no longer adequate or in keeping with the changed face of industrial organization. Under present-day conditions of extreme complexity and grand scale of productive operations and of the huge concentration of corporate power through financial control, the associations of labor are faced with the alternative of developing new organs and functions or withdrawing from the field of the great machine industries and contenting themselves with barely holding their own in the more backward ones still largely organized on the older craft pattern.

The new situation calls for a new strategy in the struggle for power and advantage. This is not the place to project a program. It is possible only to suggest the direction in which the unions are likely to move forward under the prod of company-union rivalry. In the first place, the crude weapons of the strike and the boycott, more or less impulsively resorted to, are already seen to yield diminishing returns by contrast with more subtle forms of economic pressure. In their effort to obtain recognition and to extend their organization over a wider field the union leaders may find it expedient to rely increasingly on organizing skill, keen judgment of economic trends, accurate knowledge of business

conditions, tact in negotiation, administrative capacity, organization discipline. While restrictive regulations and even militant tactics need not be abandoned altogether, the dominant orientation is becoming more positive. It looks to the growing participation by the rank and file of workers in the fruits of the productive process through the growing share in its control on the part of their organizations.

Power and control, however, are not likely to be won by the unions without the assumption of a certain responsibility. As they achieve for their members something approaching citizenship status in their industries, they will be under an incentive to identify their long-range interests with the progress of those industries much as their members' interests tend to become more closely identified with the continued prosperity of their several works. As the units of the industry grow larger and less competitive, increasing importance comes to attach to the administration of joint agreements as centering in the individual plant or group of plants controlled by a given corporation. This requires the operation of union machinery within each plant. Such an apparatus may properly take the form of a system of local plant and shop committees functioning in close *rapport* with the union bureaucracy. It is upon the basis of the detailed and authoritative information furnished by such committees concerning the specific conditions, problems, and needs of their respective plants, that the officials of the union, assisted, perhaps, by their own technical experts, can deal more intelligently with both the minor and the major problems of the industry.

PAUL WANDER.

SECTION FIVE: LABOR AND POLITICS

CHAPTER XXI

AMERICAN LABOR AND SOCIAL LEGISLATION

A recent delegation of British workmen visiting the United States remarked that what surprised them most in this country was the harmonious relation between managements and employees. A delegation of metal workers representing several European countries observed:

> The actual wages in the United States are considerably higher than in Europe. . . . With few exceptions, there are no legislative regulations existing for the protection of the workman. In this regard the employers are not restricted in any way whatsoever. Strange to say, likewise, the workmen and their organizations do not appear to give any great attention to the social questions. . . . With the Americans, the longer time goes on, just so much the more the necessity for social legislation will also make itself felt. . . . Since there are no governmental social legislative laws, the manufacturer has taken upon himself to make certain arrangements along this line in his own establishment. All of these arrangements, such as the pension system, the insurance systems, savings banks, etc., are not sufficient, however, for the workman, inasmuch as there are differences existing between one concern and another, and the workman becomes ever more dependent upon the concern. There is no doubt that the European system is greatly to be preferred to the American system.

That intelligent European workers, admitting the higher wages paid in this country, still prefer the European system, may surprise those who have always believed in our social superiority. Surely their conclusions warrant a close study of our conditions and prospects.

1. One Explanation of the Weakening of the Labor Movement, and Another Explanation

The Pennsylvania Federation of Labor, in a recent bulletin, *The Present Situation in the Labor Movement*, gave the replies of labor officials to a questionnaire which began as follows: "Does your experience reveal a rather general state of indifference on the part of the rank and file of organized workers?" Twenty-two of the twenty-six answers received declared unequivocally that their

experience reveals indifference more pronounced than ever before. Says one labor leader:

> Our meetings are not being attended. The unions grow less in numbers as well as in influence; the man that has the ability to lead is about tired of doing so, and the others do not care to take up the work.

Another declares:

> I recognize it [the indifference] as a fact, and a regrettable one. In the recent strike here in New York of a part of the union, my friends who were acting as organizers tell me it was impossible to stir up any enthusiasm on the part of the strikers.

A letter "from a source of unusual significance" states:

> Since January 1, I have visited every important industrial center in Massachusetts, Connecticut, Maryland, Pennsylvania, Ohio, Illinois, Wisconsin, Minnesota, Montana, Washington, Oregon, California, Utah and Wyoming, and Colorado. I can say frankly and unhesitatingly that a very general state of apathy and indifference exists in practically every center which I have personally visited, and from conferences with responsible trade union officers and members I am convinced that this situation is pretty general.

These labor leaders blame the present stagnation on themselves, the war, business conditions, the automobile, the radio, the desire for pleasure, jazz, the movies, games, the good times, the bad times, President Coolidge, the ignorance of the workers, the communists, the autocratic and corrupt management of labor unions, the gross materialism of the labor movement, the capitalist press, the lack of a labor press, the church, the general disillusionment, and the like. This letter is characteristic:

> I am of the opinion that there is a general break-down of the serious side of life. Our younger members especially have gone jazzy. I have been at the head of my brotherhood twenty years this coming October. The young generation has grown up almost strangers to us who have charge of the organization. It seems as though we have tried everything to interest our members; reading rooms, lecture courses, debates, these do not seem to take hold of the modern American.

Although the plausibility of these explanations can not be denied, these labor leaders seem to ignore the core of the problem—that the spread of industrial welfare activities in the last decade has undermined the very basis of existing American unions. "Pure and simple" trade unionism has sought to secure a shorter workday, higher wages, and improved working conditions. Since the eight-

or nine-hour workday has become practically general, and since as a body the trade unions have not seriously demanded a shorter day, this issue has practically eliminated itself. Although labor officials still rightly contend that trade-union rates are generally higher than non-union wages, elimination of labor troubles frequently brings non-union wages throughout the year up to union wages. Furthermore, the higher wage standards of the organized workers gradually trickle down to the unorganized. The remaining issue—improvement of working conditions—has been taken out of labor's hands by the employers who have adopted conditions such as trade unionists never dared to ask. Thus the main reasons for the existence of the American labor movement have been gradually subverted, leaving it practically lifeless.

Mere enumeration of welfare activities established largely during the last decade demonstrates the enormous advance of this policy. To better sanitary conditions, safety, and workmen's compensation, have been added extensive recreational programs, comprising athletic activities, social clubs, libraries, musical and dramatic entertainments, noon concerts, dances, picnics, and the like.

Employers are even beginning to provide medical attendance for wives and dependents of employees. One shoe company, for instance, maintains a staff of 33 physicians and surgeons and 65 permanent nurses, and gives complete free medical and surgical service, as well as hospitalization when necessary, to all workers and their families. This company in one year spent about $1,200,000 on welfare work, representing about 6% of its total annual pay roll.

Many concerns now provide vacations with pay even for their non-salaried workers, restaurants (often run at a loss to the company) or wholesome lunches served entirely free, loans, housing bureaus, sanitoria for the tubercular, and legal advice. Some even distribute Christmas and birthday gifts. Says the president of one concern: "We remember employees on their birthday by presenting to them a small gift, as also married employees on their wedding anniversaries, and in the case of single employees, their mothers." Other corporations help to buy coal and other products at wholesale or to establish coöperative stores where merchandise can be obtained cheaply. One Maine concern has already adopted the European policy of additional payments to employees

with large families. Numerous firms also have emergency relief, unemployment benefit funds, anniversary premiums, attractive and advantageous savings plans. In many savings plans the company deducts the savings from wages and deposits them to the employee's account, thus relieving him of responsibility. In one instance, such savings, up to 10% of the employees' wages, are compulsory. Education is sponsored by paying for courses of study which employees may undertake or by awarding scholarships to their children. Occasionally even garages for the employees' cars, tailor and jewelry shops, and country clubs, are provided.

The lamentable status of the American labor movement today is but the natural harvest of a policy implanted by American labor leaders for forty years. Outstanding leaders of the A. F. of L. have always helped to sow among the working classes the doctrine of individual action and distrust of the state—which are accepted in theory, but not in practice, by their capitalist adversaries—as against the doctrine of social and state action generally accepted by the workers abroad and by students of labor and progressives in the United States. Consequently, the risks of sickness, old age, widowhood, orphanage, and unemployment have remained constant terrors to the wage-earner. Our higher standard of living has not in the least alleviated these fears. On the contrary, the American worker may feel them even more keenly because of the greater disintegration of the family unit in this country, and because of his higher standard of living. There is hardly another industrial country in which these hazards have not been ameliorated by constructive social action, but little or nothing has been done in the United States. To avoid such "socialistic" menaces, the American worker was urged by his leaders to provide from his own meager means against all these emergencies. If in the end he was forced to accept charity or go to the poorhouse, at least he remained an "independent American."

Storming against the dangers of state paternalism, union leaders failed to realize that even worse than state paternalism, under which at least the workers have a vote, might be the paternalism of management in which they are given no voice at all.

The result of this policy has been that in 1925, the A. F. of L. and all its affiliated international and national unions, representing nearly 3,000,000 members, gave out a total of $1,842,292.48 in

sickness benefits. On the other hand, one company employing but 15,000 workers spent nearly that sum in sick and medical benefits. While the A. F. of L. and all its affiliated unions spent $2,823,145.45 in old-age benefits, the Pennsylvania Railroad Company alone, with approximately 240,000 workers, spent over $4,000,000. American employers have covered their workers with group insurance amounting to about $6,000,000,000.

Indeed, the solid record of the A. F. of L. leadership against ameliorating the basic insecurities of the worker through some state or national action is astonishing. Instead of working side by side with the proven friends of labor, some of the most outstanding labor leaders joined—and some still belong to—organizations where, hand in hand with some of the bitterest enemies of labor, they fought against beneficent labor legislation. This was done in the name of an individualism which employers themselves have long abandoned for concerted group action in behalf of tariff laws, railroad subsidies, etc. American labor leaders alone have fully accepted the distrust of the state. More than ten years ago the late Samuel Gompers declared to the Commission on Industrial Relations in New York that the A. F. of L. was opposed to state legislation limiting the hours of labor. He and many other outstanding leaders of labor joined with the National Civic Federation—composed mostly of non-union men—and the most powerful insurance companies in the fight against health-insurance legislation. Although the convention of the American Federation of Labor has repeatedly adopted resolutions in favor of old-age pension legislation, President Gompers was, and remained to his last day, a vice president of the National Civic Federation, when it confidentially circularized leading business men and non-union employers, to ask for hundred-dollar contributions "to help in the campaign we are waging against non-contributory old-age pensions."

2. Captains of Industry Capitalized Labor's Prejudice

While the A. F. of L. leaders were expounding the doctrines of the National Civic Federation, the employers knew better. They knew that the wage-worker, unable to provide against the different emergencies of life, would be glad to accept whatever protection they offered him. Therefore, what the trade union failed to give the worker, the intelligent employer gave; doing so, he undermined

the union. Not only students of labor, but even employers admit that in Europe industrial welfare work can never replace trade unionism, nor can it take the same forms as in the United States, the workers being already protected by comprehensive state insurance systems, to the cost of which both they and the employers contribute. Group insurance is hardly known abroad. Industrial old-age pensions, wherever they do exist, act only as supplementary benefits to the state pension system, while against the risks of sickness and unemployment many European countries definitely protect their workers by comprehensive state insurance. The basic insecurities of modern industry have been removed abroad through state programs of social legislation—sponsored mainly by the various trade-union movements—in which the worker is given a direct control, thus precluding any danger of employers' attempting to alienate workers from their trade unions by promises of provisions against these hazards. That the elimination of the inadequate benefits provided by labor unions through a state system of legislation does not hurt the growth and power of the labor movement is clearly evidenced by the fact that the size and power of the European labor unions and the development of social insurance have gone hand in hand.

Major welfare practices must necessarily be confined to the larger and more prosperous or monopolistic industries. The small concern, employing few workers and constantly struggling against competitors, can not afford to expend either time or money for such luxuries. Inasmuch as the United States Census of 1920 reports that but 6% of all industrial establishments in the United States employ 101 workers and over, 94% of the concerns cannot develop major welfare practices.

In the most important welfare provisions, group insurance, health insurance, old-age pensions, unemployment insurance, etc., the workers may receive substantial benefits only after they have been with the concern many years. Studies of labor turn-over conducted by the United States Bureau of Labor Statistics show that only 3.4% of male workers and 2.4% of female workers remain with one concern over twenty years. Thus, approximately 97% of wage-earners will be unable to qualify for old-age pensions, which generally require at least this period of service. The majority of workers can not qualify for any substantial benefits from either group insurance or sickness provisions.

Moreover, welfare work, as constituted at present, represents only "if and maybe" promises. With but rare exceptions, these promises are never guaranteed, and the concerns may cancel the benefits whenever they may feel so disposed. Although group insurance is hardly fifteen years old, numerous corporations have already abandoned it. The most comprehensive study of industrial old-age pensions in the United States, just published by the Pennsylvania Old Age Pension Commission, forces the Commission to conclude:

> The large majority of the pension systems now in operation are so constructed as to preclude any hope of their ever becoming effective instruments in solving the great problem of old-age dependency to any considerable degree. . . . As pension obligations are now carried, unless our present business prosperity continues without periods of reaction, it is likely in the long run that public or charitable agencies will be forced to assume the maintenance of many thousands of workers whose employers had led them to expect that they would be granted pensions in their old age.

3. The Fallacy of Industrial and Political Individualism

The very expenditures made on these schemes show the shallowness of the protection provided. Large industrial establishments are undertaking them because so far they have involved inconsiderable investments. As long as the per capita expenditure on a welfare program does not cost much more than the price of a turkey at Christmas, it is obviously far more profitable to let the taste of this benevolence linger with the employees throughout the year than to have them forget the corporation immediately after the "left-overs" have been consumed. A canvass made by the writer discloses that 514 concerns employing a total of 3,075,034 workers expended on all their welfare work during the fiscal year 1925–26 the sum of $52,408,384.13, an average of $17.43 per person, or approximately 1% of the pay roll. This included expenditures on group insurance, old-age benefits, mutual benefit societies, death benefits, restaurant losses, recreational and educational activities, and the like. The report on industrial pension plans referred to above estimates that approximately 400 concerns in the United States, employing 4,000,000 workers, are paying out close to $43,000,000 a year on pensions, an average per capita expenditure of approximately $10.75 a year. In 292 con-

cerns reporting their cost of group insurance, the per capita expenditure amounts to $9.72 per year. One hundred and fourteen concerns reporting the per capita cost of their mutual benefit societies show that the average cost per worker to the concern amounts to $4.99 per year.

Abroad, the employer's contribution to comprehensive social insurance systems is generally about 5% of the total pay roll, but few concerns in the United States spend more than 1% of their pay rolls on welfare practices, and in most corporations, the expenditure amounts to but a fraction of 1%. A few establishments which have adopted most comprehensive welfare practices spend 2% of the pay roll, or more.

Because of these inherent deficiencies, it is futile to anticipate that these practices can provide protection against the hazards of modern industry. The workers have been impressed by them only because the American labor movement, instead of pointing out these inherent defects, merely tried to substitute competitive, and no more substantial, schemes of its own.

Even under our present so-called prosperity, the ever-increasing demands of life do not permit the individual employee to provide from his own earnings against emergencies. We are continuously conducting new high-pressure sales campaigns, all of which make the worker part with the little extra money he may have. Higher wages and greater consumption have been mainly responsible for our present prosperity. Is it conceivable that we will change from this policy and employ our high-powered advertising experts and house-to-house canvassers in campaigns for thrift, to provide the wage-earner with protection against the various economic emergencies stalking before him? As long as this is not likely to happen, the individual worker will continue helpless in emergencies. While hazards exist, and the great labor movement is delinquent in providing the wage-earner with social protection through a comprehensive State or national social insurance system, to which both he and his employer are made to contribute, the worker will be only too ready to take hold of every straw offered him by benevolent employers.

ABRAHAM EPSTEIN.

CHAPTER XXII

LABOR AND INDEPENDENT POLITICS

High hopes were entertained during 1924, before the Presidential election, and by many until the February, 1925 convention of the Conference for Progressive Political Action (C.P.P.A.), that a powerful labor party would be immediately organized in this country. The February convention disposed of these hopes. The railway unions reaffirmed their non-partisan political policy; the Socialist party and the Farmer-Labor groups, in meetings following adjournment of the C.P.P.A., could not agree on a plan of party organization, but proposed a conference the next autumn to formulate a program. The A. F. of L., at its convention in November of that year, reaffirmed its policy of watchful waiting, declining to ally itself with any political group, although expressing gratification at the results of its support of La Follette. The autumn conference of the Farmer-Labor groups and the Socialist party failed to materialize. The Socialist party has resumed its policy of independent action, while the Workers' party, which had dominated Farmer-Labor councils before and after the St. Paul Convention of farmer-labor groups (June 17–19, 1924), is now isolated from other organizations for political action.

1. Has the Labor-Party Movement Been Liquidated?

How shall we account for the collapse of a movement that attracted so much popular support in a short period of time?

The proximate causes of the collapse were well stated by William Hard in the *Nation* three months before the election: "Each of the three great elements supporting La Follette," he said, "is doing it for a special separate reason of its own." The railroad unions were active in the campaign because they had "a special grievance of their own in relation to the Government and in relation to their employers under the Esch-Cummins Transportation Law. When and if that grievance is abated [Hard continued] we must in common sense expect to see an averaging-out of the radicalism of the railroad trade unions and of the radicalism of

other unions." The support of the agricultural element in the Northwest was enlisted by "innumerable orations declaring that the specific proof of the need of a new political movement is the low price of wheat." Hard reminds us in this connection that farmers' political movements in the past have disappeared with a relative rise in the price of agricultural products, and he asks: "What is to prevent a relative revival of agricultural prosperity from doing to the La Follette party what it did to the Populist party?" The third element supporting La Follette was of course the Socialist party, and Hard stresses the fact that most of the railroad unionists and northwestern farmers, and all the members of La Follette's own immediate machine, including La Follette himself, "are distinctly non-Socialist." Hard goes on to show that the "new party" was divided on other crucial issues, such as the League of Nations and government aid to farmers, just as are the old parties. (This, incidentally, is a useful reminder that division on such issues does not in itself explain the collapse of the third-party movement.) In a subsequent article Hard points out that La Follette, though he promoted regulation of private economic interests for the protection of the "public," was definitely opposed to government ownership in his own State.

Labor events have illustrated these differences of interest and viewpoint among the elements in the La Follette movement. Thus, in the February conference we see the brotherhood chiefs determined to disavow independent political action, in order, as they believed, to agitate more effectively in Congress for relief from oppressive legislation. Also, we see a sharp conflict in insistence on individual and group membership in the proposed new party, by the agrarians and the Socialists, respectively. Again, the temporarily bettered position of the farmers since early in 1924, especially in the wheat-growing States, has brought a decline in independent political action on their part, evidenced by election results in the Northwest, while their lack of sympathy with some of their erstwhile political associates is illustrated by the attempt of the Farmer-Labor party in Minnesota to purge its ranks of radical elements. Finally, the La Follette progressives, consistently ambiguous throughout the campaign on the question of establishing a third party, have since reaffirmed the policy of capitalizing voters' party loyalty by capturing the old parties at the primaries, where possible.

These factors in the liquidation of the labor party movement, to be properly understood, must be considered in relation to causes more remote, especially those of an historical character. The most important of these remoter causes has been the superior effectiveness of economic as against political action in the United States (and elsewhere for that matter) in securing gains for the wage-earning class. Constitutional law in the United States from the beginning has narrowly restricted the field for positive legislation in the interest of labor. Constitutional law might have been modified through the combined efforts of labor and other groups disadvantaged by it, but this would have involved organized political action over a long period, the results of which must have appeared remote and uncertain compared with the gains to be secured from economic action. Consequently, labor in politics has been largely concerned with securing relief by statute from use by employing interests of anti-conspiracy and other doctrines of the common law, to restrict its freedom of economic action.

The cumbersomeness of our constitutional system, with its division of powers between State and Federal governments as well as among legislative, executive, and judicial branches of these governments, has increased the difficulty of developing new political movements sufficiently strong to challenge the established parties. The checks and balances of the system, and the succession of vetoes on legislative enactments permitted by our twofold system of divided powers, together with the rigidity of the Federal Constitution, have made it extremely difficult and usually impossible for any subordinate class to secure enforceable legislation in its interest. This extreme division of powers, the resulting multiplicity of elective offices, the late and still meager development of a merit system for appointing civil servants, the rise of the spoils tradition in politics, the willingness of powerful financial interests to pay for governmental favors, determined the development of elaborate political machinery controlled by professional politicians interested primarily in the pecuniary capitalization of their political power. The greatest monetary returns from the sale or rent of this power obviously can be derived from an alliance with the most powerful economic interests.

The same causes largely explain the tenacity of the two-party system in the United States. A new party, for a long period after

its inception, has no prospect of rewarding its active workers by political appointments or a division of monetary returns from the sale of political power, and must rely on disinterested services. Consequently, the dominant political machines have always attracted the politically ambitious of a less disinterested character, and these have been out of all proportion, numerically, to the active workers whom third parties could enlist. This, added to the superior financial resources of the dominant parties in election campaigns, and their seduction of the third parties by proffer of immediate benefits in lieu of the remote and uncertain gains promised by independent action, has effectually assured the continued dominance of the two leading parties.

This is the situation that labor and other groups have encountered when they essayed independent political action. Labor has undertaken such ventures only (or mainly) during periods of industrial depression, when economic action had largely failed. Until the last decade or two of the nineteenth century, these periods resulted in the demoralization and virtual dissolution of labor unions. When prosperity returned, effective labor organization for economic action again became possible. Coincidentally labor's interest in politics, with its promise of future benefits, waned, and the absorption of labor's political movements by the old parties became feasible when it was not already far advanced. By a faulty logic the inference was drawn that union disorganization resulted from independent political action, whereas these recurrent ventures in politics *and* demoralization of the trade unions resulted from a common cause, namely, industrial depression. But that conclusion was successfully impressed on the official direction of the labor movement by Mr. Gompers and his followers; and as a result, belief in the futility of independent political action has attained the rank of a dogma, and non-partisan action in politics has become traditional among the orthodox unions. *The truth is, independent political action persistent enough to cope with the difficulties here indicated has never been tried in the United States.* None of this proves, of course, that an independent labor party could develop a political power strong enough to challenge the power of its adversaries. The question has never been decisively tested in practice, and is therefore properly regarded as open.

2. The Obstacles in the Way of a Labor Party

The difficulties of building a strong labor party are, however, enormous, and may prove insuperable for an indefinite time. The more serious difficulties have been indicated by the foregoing discussion. To those stressed, however, we should add the traditional party loyalties (Republican or Democratic) of a large proportion of industrial wage-earners and of farmers, especially tenants and laborers whose interests might be served by an independent political movement of the two groups acting jointly. The seriousness of this difficulty is illustrated by the reluctance of agrarian progressives to secede from the old parties, though disillusioned with their performances, and the adherence of a majority of urban wage-earners to those parties even when urged by spokesmen of the labor movement to support another party. Underlying these conditions is the fact that class, as distinct from craft, consciousness among wage-earners, especially in politics, has been brought by the relatively recent industrialization of the country to only a rudimentary development, and that nominal political equality was established for all except Negroes early in the last century, whence the establishment of political traditions and loyalties supporting the Republican and Democratic parties in the main, not labor or other third-party movements. Consequently with few exceptions only those wage-earners have been organized who through a partial monopoly of craft skill could depend almost exclusively on economic methods in improving their status. The remaining numerically predominant groups have been so unorganized that it has been easy to exploit them industrially and to enroll them politically within the parties controlled by the capitalist class.[1]

The question remains whether it is to the interest of American

[1] More systematic discussions of independent political action by labor with problems relative thereto are presented in Perlman's *History of Trade Unionism in the United States* (Macmillan), especially Chapter XIV; Douglas' "Why a Political Labor Party is Slow in Forming in the United States," *The American Labor Monthly*, January–February, 1924, pp. 21–27, reprinted in *A Labor Party for the United States* (H. W. Wilson Company); Hunter's *Labor in Politics* (The Socialist party); *For a Labor Party* (pamphlet published by the Workers' party); and Eldridge's *Political Action* (Lippincott), especially Chapters XXIII and XXV–XXX. Numerous articles and editorials in *The New Leader*, *The American Labor Monthly*, *The Nation*, and *The New Republic* represent valuable contributions to the subject. Of value, too, are Carroll's *Labor and Politics* (Houghton Mifflin), a carefully documented exposition of the A. F. of L.'s attitude toward legislation and politics, and pamphlets on the same subject issued by the Federation itself.

wage-earners that a representative labor party be developed. The Socialists, the Communists (the Workers' party), and a few labor leaders not affiliated with these groups say yes, and many liberals outside the labor movement agree. The majority of union officials, including the leaders of the A. F. of L., say no and some unattached liberals agree with them. Developments in the political policies of labor turn on this issue. If the official spokesmen of the labor movement could be won to the affirmative, other obstacles could be at least partially overcome—to what extent only experience could show.

3. A Scientific Study of the Issue Is Suggested

But is the affirmative correct? This question can not be settled by present methods of dealing with it. It is unlikely that all the A. F. of L. adherents of a non-partisan political policy are color-blind or worse, as socialists and communists are often inclined to assert; and just as unlikely that all the latter are visionaries or act on instructions from Moscows of one kind or another, as A. F. of L. spokesmen are prone to claim. More profitable than such assertions would be an exhaustive inquiry to provide, if possible, a factual basis for eventual agreement. Investigation by a competent research organization, such as the National Bureau of Economic Research, should yield findings that could not be challenged with impunity. Such an investigation would of course allow for differences in the labor movement on fundamental economic questions, but would emphasize the question whether non-partisan or independent political action would probably best promote the attainment of objectives accepted by the rank and file. The parties to the present controversy eventually would have to recognize the findings of such an investigation, except in so far as conclusive refutations thereof were produced; and would be pressed to shape their political course accordingly. This seems to be the only method now available for settling the controversy.

Such an investigation, in assessing the possibilities of independent political action, would need to consider the advantages to labor of capturing political power in the local community and the State. Hitherto, labor-party movements have exaggerated the importance of national politics and underestimated local and State politics. Very substantial benefits would come with political power in the urban community or in the individual State, and

numerical predominance of the wage-earning class would make such power possible for labor in the more completely industrialized sections of the country. These advantages may be summarized here without any attempt to weigh them against those of a non-partisan labor policy.

Political victory by labor in city elections would enable it to eliminate arbitrary police interference in strikes and to limit the use of injunctions in industrial disputes. Restrictions on freedom of teaching in the public schools could be removed and discriminative selection of teachers and textbooks prejudicial to labor's interests stopped. Housing conditions, obviously of special interest to the wage-earning class, could be effectually regulated, and, under enabling legislation by the State, municipal provision of houses, for sale or rent, at cost, to low-income groups could be undertaken. Labor would be able effectively to counteract taxpayers' opposition to development of an efficient public health service, provision of adequate recreational facilities, and improvements in other municipal activities beneficial to labor and to the community generally. A labor government could and would see to it that trade unionists were employed in work under city control, or at least that there was no discrimination against them in this field. It would be able to force acceptable standards of wages, hours, and working conditions in every branch of the municipal service. Finally, public work could be so planned as to reduce the amount of employment during periods of industrial depression, and orders for supplies could be so placed as to stimulate, in some measure, the resumption of industrial activity at those times.

Capture of political power in a State would also carry with it manifold advantages. Labor could pass legislation permitting municipal developments in the directions specified, where this was necessary, and inaugurate policies of State coöperation with local communities for educational improvements, housing enterprises, public health service, prevention of unemployment, etc. The use of injunctions in strike situations could be further restricted, freedom of economic action in industrial disputes assured, so far as these came under the jurisdiction of the State government, and hostile applications of anti-conspiracy and other common-law doctrines circumvented through statutory enactments. Labor control of State government would make a comprehensive code

of labor legislation possible. Further restriction of child labor, regulation of conditions affecting women workers, protection of wage-earners against industrial hazards to health and safety, perfection of workmen's compensation laws, and development of a social insurance system, could all go forward under a labor-controlled State government. Unionization of State-controlled employment would naturally follow. Opposition of taxpayers to desirable increases in State expenditures, and of corporations to State regulation in the public interest, could be effectually countered.

One could, of course, demonstrate the advantages and indeed the ultimate necessity, from labor's viewpoint, of capturing control of the Federal government. But the possibility is much more remote, and it must be achieved, if at all, by the development of political power in the local community and the State. Analysis of national politics from the standpoint of a possible labor party may therefore be dispensed with here, as of only remote significance. It may be pointed out, however, that the election of labor-party representatives to Congress would become automatically possible, with the development of political power in the local community and the State. Would labor gain more in Federal legislation, its interpretation and enforcement, through the influence of labor representatives on Congressional action and on appointments to Federal offices, than through the present A. F. of L. policy in national politics? That is one of the questions which an investigation of the sort proposed would consider.

Finally, the capture of political power by labor in the local community, the State, the Congressional district, would dignify labor in its own eyes, as well as in public esteem. This, added to the opening of political careers to members of the wage-earning class whose tastes lay in politics, would help to retain in the labor movement the more ambitious spirits who are now seduced from it by political and business opportunities and other avenues to social prestige.

A strong case can be made against independent political action by labor, despite these imputed advantages; strong enough, at any rate, to have kept the majority of labor leaders and of the rank and file loyal to the non-partisan policy. This side of the argument need not be set out here, though a strictly fair presentation of the issue would call for it. Suffice it to repeat that a genuine

issue is involved; that, in other words, we have an *unsettled* question on our hands. The point is emphasized by the fact that some competent authorities on the American labor movement think that it would not be justified, under prevailing conditions, in diverting even a portion of its energy to independent political action.[1] This being the case, the parties to the controversy should agree on an investigation calculated to yield, so far as possible, definitive conclusions about the whole question. The factor that divides American labor into two camps on this matter is a *scientific question*, and only by a solution of this question can the ground be prepared for the unified action of labor in the political field.

An alternative to either independent or non-partisan political policy is a combination of the two; for example, adoption of the former policy in States and local communities where labor is numerically predominant or likely soon to become so, and of the latter policy where the opposite condition prevails, with perhaps a shift from one policy to the other when changed conditions made it expedient. This alternative should be considered in any such investigation as has been suggested.

Were this question settled, and independent action, a continuation of non-partisan action, or a combination of the two shown to be the better policy, many important questions of strategy would remain for consideration—for continuous consideration, of course, for such questions we should always have with us.

SEBA ELDRIDGE.

[1] Cf. Perlman's *A History of Trade Unionism in the United States*, p. 286.

CHAPTER XXIII

RECENT DEVELOPMENTS IN LABOR LAW

It is the purpose here to call attention only to those recent court decisions that are of special interest to labor, either because of their connection with well-known litigation or important statutes, or because they mark a significant development of the labor law of the country. Practically all of them relate either to the suability of unincorporated labor unions, or to the constitutionality of statutes imposing compulsory arbitration or fixing a minimum wage or prohibiting the issuance of injunctions in labor disputes, or to the application of anti-trust laws to the activities of employees and their unions. The drift of the smoke from these five signal fires will give a good indication of the direction and intensity of the wind.

1. Suability of Unincorporated Labor Unions

Probably the most protracted judicial drama with a labor plot is that in which the Coronado Coal Company plays a leading part. There was nothing new in principle in the Coronado decision of 1925, but it marked the beginning of the end of one of the bitterest judicial struggles in which labor has participated. Out of the prolonged litigation has come just one real contribution to the law of labor in the United States—the establishment of the doctrine that unincorporated labor associations may be sued in the Federal courts. Strictly speaking, the case only decides that they are suable under the Sherman Act, Section 8 of which expressly brings within the operation of the Act "corporations and associations existing under or authorized by the laws of the United States, the laws of any of the Territories, the laws of any State, or the laws of any foreign country." The Circuit Court of Appeals, which should be credited with the enunciation of the doctrine, carefully restricted it to the special case. But the reasoning of the Supreme Court proceeds in more general terms, and the principle of suability is made applicable to actions in the Federal courts without qualification. As to cases which do not arise under

the Sherman Act, this is, of course, an obiter dictum, but there can be little doubt that it represents the practice in the future. A legal entity has privileges as well as obligations, and the recognition judicially accorded to labor unions may yet prove to carry advantages as well as detriments to labor. Still, at the present stage of the labor movement the liability to be sued will doubtless impose a financial burden on the unions that will not be balanced by the right to sue. An interesting collateral question is whether the Coronado doctrine may not in time cause the larger labor unions to seek formal incorporation, under the Federal act of June 29, 1886, or some similar State statute.

It must be recognized that the doctrine has persuasive force only in the State courts. This is illustrated by a decision made on July 20, 1925, by the Appellate Court of Illinois.[1] Chapter 28 of the Revised Statutes of Illinois makes the common law the rule to be followed in cases of this character, unless modified by statute. But at common law, it is not denied that unincorporated associations of persons can sue or be sued only in the names of all the members, as a partnership. The court finds no exception to this in the law of Illinois and declines to follow the "new and far-reaching rule" of the Federal courts.

However, it is submitted that the example set by the Superior Court of Cincinnati, Ohio, in two cases decided November 20, 1925, is more likely to be followed.[2] The doctrine that unincorporated associations cannot be sued is not applicable to modern conditions and particularly to large labor unions, the court thinks:

> These unions have thousands of members in all parts of America. It would increase the cost beyond reason, encumber the record needlessly, and be a useless and terrific task to make all of these individual parties defendants and to attempt to secure service thereon. [Yet] it is not just that these unions should be permitted to exercise collective power for good or evil without collective responsibility when injury is inflicted upon a member of the public or of the union. [And so,] in the absence of a controlling decision, we feel bound to follow the law as recently declared by the Supreme Court of the United States in United Mine Workers of America vs. Coronado Coal Company, 259 U. S. 344, both because it is a unanimous decision of the highest court of the land and must ultimately become the law in jurisdictions which have heretofore held differently and because in our judgment it should be the law.

[1] Cahill vs. Plumbers', Gas and Steamfitters' and Helpers' Local No. 93.

[2] Kiser vs. Motion-Picture Machine Operators' Union, and Ringshauser vs. Bakers' Union.

2. Constitutionality of Compulsory Arbitration

The climax of a series of decisions that are far more agreeable to labor is furnished by the case of the Wolff Packing Company vs. The Court of Industrial Relations of the State of Kansas, decided on April 13, 1925.[1] Compulsory arbitration in any form has been feared by the leaders of the labor movement as if it were a cobra's venom. The "Court" was really an administrative board with powers of compulsory arbitration in controversies between employers and employees who are in industries engaged in the production or transportation of food, clothing, or fuel, or who are connected with public utilities or common carriers. These businesses are declared by the Act to be affected with a public interest, so that their continuity is essential to the public peace and health and to the proper living conditions and general welfare of the people. Whenever a controversy in such an industry arises, the Court may, on its own initiative or on complaint, summon the parties to a hearing; and if it finds the peace and health of the public imperilled by the controversy, it may fix wages or other terms of employment for the future conduct of the industry. Either party may ask for a readjustment after sixty days, and then the order continues in effect for such reasonable time as the Court may fix, or until changed by agreement of the parties. The orders of the Industrial Court are subject to review by the Supreme Court of the State, and may be enforced by appeal to that court.

The statute first came under the inspection of the Supreme Court of the United States in a case decided in 1922, but it was not until a year later that the vital principle of the Act was brought squarely and inescapably within the court's jurisdiction. The Wolff Packing Company made a general reduction of wages. On a complaint from officers of the Meat-Cutters' Union, the Industrial Court held a hearing, found that an emergency existed, and issued an order increasing the wages paid in the plant and prescribing the hours of labor to be observed. The company refused to comply with the order, and the Supreme Court of the State granted a writ of mandamus to compel compliance.[2] From that judgment the company appealed to the Federal Supreme Court on the ground that the Act of 1920 was in conflict with the Con-

[1] 267 U. S. 552.
[2] Court of Industrial Relations vs. Wolff Packing Company, 111 Kan. 501.

stitution of the United States, and the court agreed that it was.[1] The State attempted to justify the patent interference with the freedom of contract which was authorized by the Act, by falling back on the usual amount of regulation permitted to a State over a business affected with a public interest, under the leading case of Munn vs. Illinois.[2] But the court questioned whether a meat packing company is properly labeled a business affected with a public interest. There are three classes of business which are said to be clothed with a public interest: (1) Those carried on under the authority of a public grant which expressly or by implication imposes the duty of rendering a public service demanded by any member of the public, e.g. the common carriers and public utilities. (2) Certain exceptional occupations clothed with public interest from time immemorial, such as the keepers of inns and cabs. (3) Businesses which are not public at their inception, but become so because of changed conditions.

But "the mere declaration by a legislature that a business is affected with a public interest is not conclusive of the question whether its attempted regulation on that ground is justified." The phrase "means more than that the public welfare is affected by continuity or the price at which a commodity is sold or a service rendered." There must be a peculiarly close relationship between the public and those engaged in a business to clothe it with a "public interest." Usually one in a private business may sell or not as he chooses, while one in a business affected with a public interest has no choice. Public interest may arise from "the indispensable nature of the service and the exorbitant charges and arbitrary control to which the public might be subjected without regulation." The court will not decide whether the preparation of food comes within the third class of quasi-public businesses, for even if it did, the regulation attempted in this case could not be upheld. "To say that a business is clothed with a public interest is not to import that the public may take over its entire management and run it at the expense of the owner." Munn vs. Illinois recognizes the power of an owner of a business clothed with a public interest by changed conditions to discontinue it if he wishes: "The power of a legislature to compel continuity in a business can only arise where the obligation of con-

[1] Wolff Packing Company vs. Court of Industrial Relations, 262 U. S. 522.
[2] 94 U. S. 113.

tinued service by the owner and its employees is direct, and is assumed when the business is entered upon." Consequently the Industrial Relations Act, "in so far as it permits the fixing of wages in plaintiff in error's packing house," is in conflict with the due process clause of Amendment XIV.

In 1925 the Wolff case reached the Supreme Court of the United States once more. After the earlier decision of this court, in the same case, the Supreme Court of Kansas modified its writ of mandamus so that only that part of the original order which dealt with hours of labor and pay for overtime was left. The Federal decision, it held, expressly invalidated only the fixing of wages under the Act, and according to Section 28, the other features of the Act were not affected by it.[1] The company still insisted that it was being denied rights guaranteed by Amendment XIV, and sought the support of the highest court in the land. Mr. Justice Van Devanter wrote the opinion in the case,[2] which in effect extends the reasoning of the earlier case to cover the regulation of hours of labor. The authority given to the Industrial Court "to fix wages or hours of labor is not general, nor is it to be exerted independently of the system of compulsory settlement." It is that system which, in the opinion of the court, infringes the liberty of contract and property rights guaranteed by Amendment XIV. The fixing of hours of labor authorized by the Act "is merely a feature of the system of compulsory arbitration and has no separate purpose," and as a part of the system, "it shares the invalidity of the whole."

This decision has been hailed as the "death blow" to the Kansas Industrial Court. The Court, it may be remarked parenthetically, has ceased to exist, as the result of an act passed by the Kansas legislature in March, 1925. However, all its jurisdiction, authority, powers, and duties are simply transferred to a public service commission of five members; so it is pertinent to ask whether the decisions we have just reviewed here left any powers and duties to be transferred. The cases seem to establish just one definite principle, and the range of application of that principle is not yet clearly delimited. A State can not, within Amendment XIV, prescribe a system of compulsory arbitration of controversies

[1] Court of Industrial Relations vs. Wolff Packing Company, 114 Kan. 487.
[2] Wolff Packing Company vs. Court of Industrial Relations, 267 U. S. 552. April 13, 1925.

regarding wages, hours, or (probably) working conditions, which applies to employers and employees in industries that become "clothed with a public interest" by mere changed conditions. But there is still room for uncertainty as to what is comprehended within the "system of compulsory arbitration" set up by the Act. It is clear that orders which fix wages, hours of labor, or (probably) working and living conditions, are included.

But what about common carriers and public utilities which are businesses affected with a public interest by virtue of public grants, and innkeepers and others who come within the second class of such businesses? May not the orders of the Court, or its successor, be valid as to them? Certainly the voluntary submission of controversies under Section 21, and the informational investigations authorized by Section 24, do not fall within the ban of the cases we have discussed, and probably this may be said also of the public operation of industries in emergencies contemplated in Section 20. It is quite arguable that there are other provisions of the Act which are not affected by the rule laid down by the Supreme Court, but the foregoing illustrations will show that there is something left for the public service commission to do.

3. Minimum Wage Legislation

The status of minimum wage acts was clarified in several respects during 1925. It will be remembered that in 1923 the Supreme Court of the United States held the minimum wage law passed by Congress for the District of Columbia unconstitutional in so far as it applied to women employees, on the ground that it was a deprivation of liberty without due process of law, contary to Amendment V.[1] It was hardly open to doubt that the State statutes of the same character, i.e. of the mandatory type, were doomed under the due process clause of Amendment XIV, though they had previously been upheld by the court of last resort in four States,[2] and had gone unchallenged in a number of others. So it surprised no one when the Kansas Supreme Court held that, though in its opinion the Kansas minimum wage law was within the constitutional power of the legislature and had a reasonable

[1] Adkins vs. Children's Hospital, 261 U. S. 525.
[2] Arkansas, Minnesota, Oregon, and Washington.

relation to the promotion of the general welfare at which the legislature aimed, still it was bound to heed the decision in the Adkins case, and must declare the State statute to be in violation of the Federal Constitution.[1] The Federal District Court in Arizona took the same view regarding a similar statute of that State,[2] and this case was approved by the Supreme Court in a memorandum decision of October 19, 1925,[3] "upon the authority of" the Adkins case.

The statutes providing for a minimum wage for women in ten other States [4] are undoubtedly condemned as a result of this decision. It makes no difference whether the minimum wage scale is determined by a board, as in the District of Columbia; or fixed by the legislature, as in Arizona; or fixed by the legislature subject to modification by a board, as in Arkansas. In several of the States the administration of these acts continues, but it is well recognized that it is dependent on the favor of the employers affected, and no commission has attempted to enforce its rulings by judicial process, nor have any new wage rates been established. This amicable modus vivendi can hardly be expected to survive the next severe industrial depression.

An ingenious attempt to escape the effects of the Adkins decision was made in Wisconsin, where an amendment of 1925 provides that "no wage paid or agreed to be paid by any employer to any adult female shall be oppressive. Any wage lower than a reasonable and adequate compensation for the services rendered shall be deemed oppressive and is hereby prohibited." The statute in the District of Columbia adopted as a standard for a minimum wage for women "the necessary cost of living to any such women workers to maintain them in good health and to protect their morals." This standard was condemned by the court as "so vague as to be impossible of practical application with any reasonable degree of accuracy." Furthermore, the court objected, the statute completely ignores "the moral requirement, implicit in every contract of employment, viz. that the amount to be paid and the service to be rendered shall bear to each other some relation of

[1] Topeka Laundry Company vs. Court of Industrial Relations, 237 Pac. 1041. July 11, 1925.

[2] To the same effect was the decision of the Federal District Court in Wisconsin. Folding Furniture Works vs. Industrial Commission, 300 Fed. 991. 1924.

[3] Murphy vs. Sardell, U. S. Supr. Ct. Adv. Ops., Mar. 16, 1925, 25.

[4] Arkansas, California, Colorado, Minnesota, North Dakota, Oregon, South Dakota, Utah, Washington, and Wisconsin.

just equivalence." The Wisconsin amendment appears to meet this second objection, and may perhaps furnish, in judicial eyes, a more certain standard. But, though the court says that a statute requiring an employer "to pay the value of services rendered, even to pay with fair relation to the extent of the benefit obtained from the service, would be understandable," it does not say it would be constitutional. It is to be hoped that the question may soon be presented to it.

Meanwhile, there is one kind of minimum-wage law for women that, we are reasonably sure, will escape the devastation—the discretionary type, that exists only in Massachusetts at present, under which the board may *recommend* a minimum wage and publish the names of employers who refuse to follow the recommendation.

Nothing was said in the Adkins case about the provisions of the statute which related to a minimum wage for children, and early in 1925 the Supreme Court of Minnesota held that the decisions did not cover the act of that State as applied to minors.[1] But it remains to be seen whether the ground for this conclusion is solid.

There is, too, the practical question whether, as a matter of policy, commissions set up to fix minimum wages for women and minors will continue to function if the larger part of their work is taken from them. The commission in the District of Columbia promptly discontinued all its activities after the Adkins decision.

4. Futility of the Present Anti-Injunction Laws

One of the "great victories" of labor in 1925 was the passage of an anti-injunction law in Illinois, hailed as the most important bit of labor legislation during the year. It has started to run the gauntlet of judicial review and has already met with encouragement and rebuff.

The Illinois law differs in several particulars from the anti-injunction clauses of the Clayton Act. It reads:

> No restraining order or injunction shall be granted by any court of this State, or by a judge or the judges thereof, in any case involving or growing out of a dispute concerning terms or conditions of employment enjoining or restraining any person or persons, either singly or in concert, from terminating any relation of employment, or from ceasing to perform

[1] Stevenson vs. St. Clair, 201 N. W. 629. Jan. 16, 1925.

any work or labor, or from peaceably and without threats or intimidation recommending, advising, or persuading others so to do; or from peaceably and without threats or intimidation being upon any public street, or thoroughfare or highway, for the purpose of obtaining or communicating information, or to peaceably and without threats or intimidation persuade any person or persons to work or to abstain from working, or to employ any party to a labor dispute or to recommend, advise, or persuade others so to do.[1]

Boycotting, it will be observed, is not within the scope of the law at all. Nor is its application limited to cases between employers and employees, or between employees, or between persons employed and persons seeking employment. The legislature amplified the "peaceably" of the Federal statute by adding "and without threats or intimidation." This may tend to prevent the scuttling of the law by the State courts through a too liberal interpretation, after the manner of the Arizona courts in Truax vs. Corrigan. Also, "any place where any such person or persons may lawfully be" becomes "any public street, or thoroughfare or highway."

The law went into effect July 1, 1925, and came before the Superior Court of Cook County on August 1, when the International Tailoring Company asked for an injunction to restrain the Amalgamated Clothing Workers from picketing its shop. The plaintiff relied on Truax vs. Corrigan to prove that the Act was unconstitutional, but the court refused to extend the injunction issued to cover picketing unless "intimidating or unlawful." Judge Pam said the statute introduced no new principle in the Illinois courts and was intended only to assure the practice prescribed for the Federal courts by the Clayton Act, as interpreted in the Tri-City case. This sounds safe enough, but if the injunction as granted is sustained by the Supreme Court of Illinois, it is to be feared that it will be fatal to the law; for the Federal Supreme Court, in the Tri-City case, took pains to say that it was not sufficient to enjoin from picketing "in a threatening or intimidating manner." "It ignores the necessary element of intimidation in the presence of groups as pickets.—The phrase really recognizes as legal that which bears the sinister name of 'picketing,' which, it is to be observed, Congress carefully refrained from using in Section 20." On the other hand, the same Illinois court, on November 28, 1925, held the statute was invalid under the due process and equal protection clauses of the State

[1] *Laws of 1925*, 378.

and Federal Constitutions.[1] A decision by the Supreme Court of the State will be awaited with much academic interest, though it really makes little difference to labor. A construction of the statute that will prevent its annihilation at the hands of the Federal court makes it merely declaratory of pre-existing law and leaves one wondering why labor should fight so hard to get such laws enacted.

The narrow range of application of these anti-injunction statutes, first thrown into prominence by the Duplex Company case, has also been emphasized by the decisions of the State courts. There is an instructive case under the Kansas anti-injunction law, which is essentially the same as Section 20 of the Clayton Act.[2] The defendant union stationed pickets before the plaintiff's motion picture theaters for the purpose of compelling the plaintiff to pay his operators, members of the union, a higher wage. Patrons were dissuaded from entering, the business suffered, and the plaintiff was granted an injunction. The union appealed, claiming the picketing was peaceful, and so within the protection of the statute. But the Supreme Court of the State held the statute did not cover the case. The defendant union was not an employee or a person seeking employment, but an outsider. Furthermore, the Act would not protect the union from the injunction anyway, since an irreparable injury was being inflicted on the plaintiff's property rights, and there was no adequate remedy at law. Strictly speaking, this is irrelevant, since the defendant's claim is that its acts were within the activities specifically enumerated in the second paragraph as things which an injunction granted under the first paragraph, when necessary to prevent irreparable injury, should not prohibit. The argument of the court would delete the second paragraph entirely. The court also intimated that if it construed the Act to prohibit injunctions in such cases as the one before it, the Act would be unconstitutional under the rule of Truax vs. Corrigan—which is doubtless true, and confirms us in our opinion of the futility of the present type of anti-injunction laws.

If a union may be enjoined from picketing on behalf of members of the union at work in a union shop, it goes without saying that if picketing is ordered by a union to try to force an employer

[1] Ossey vs. Retail Clerks' Union.

[2] Bull vs. International Alliance of Theatrical Stage Employees and Moving-Picture Operators, Local No. 414, 241 Pac. 459.

operating an open shop to hire only members of the union, the usual type of anti-injunction law has no application. And so it has been held recently by the Court of Chancery of New Jersey,[1] where an anti-injunction law almost identical with the Illinois statute went into effect on July 4, 1926.[2] "There is here," the court said, "no real dispute between employees and employer concerning the terms or conditions of the employment, nor are the defendants acting in behalf of dissatisfied and complaining employees."

This is the rule of the Federal courts, also, in applying the Clayton Act, as may be seen from the decision in Waitresses' Union vs. Benish Restaurant Company, made by the Circuit Court of Appeals for the eighth circuit, on June 4, 1925.[3] It may be observed, too, that, in the Federal courts at least, apparently a controversy ceases to exist, within the meaning of the anti-injunction statutes, when the employer has been successful in filling the places of the strikers.[4]

Of such stuff is the "Bill of Rights" of labor.

What an emaciated skeleton it is, is well illustrated by the controversy between the operators of non-union coal mines in West Virginia and the United Mine Workers of America. The instant case had its beginning in 1920 when the Red Jacket Consolidation Coal and Coke Company asked a Federal district court for an injunction against John L. Lewis and other officials of the union, on the charge that they were engaged in a conspiracy to restrain interstate commerce in non-union coal. In 1921 and 1922 eleven other cases based on the same alleged conspiracy were brought before the same court, involving 323 coal companies which prayed for similar relief. Temporary injunctions were granted. By agreement between the parties, all the cases were consolidated for the purpose of the trial, which took place in May, 1923. Affidavits covering more than 1900 printed pages were admitted by the court, and the record of the evidence filled 1000 pages. The court took over two years to examine this material and to consider the disposition of the case and rendered its decision on October 9, 1925.[5] It found that there had been a conspiracy

[1] Gevas vs. Greek Restaurant Workers' Club et al., 134 Atl. 309. Aug. 13, 1926.
[2] Chapter 207, P. L. 1926.
[3] 6 Fed. (2d) 568. More recently the injunction has been made permanent by the district court from which it issued in the first instance—July 17, 1926.
[4] Quinlivan vs. Dail-Overland Company, 263 Fed. 171; 274 Fed. 56.
[5] Red Jacket Consolidation Coal and Coke Company et al. vs. Lewis.

to monopolize all labor engaged in the production of coal in the United States, and by that means unreasonably to restrict its shipment and sale in interstate commerce; that there was a conspiracy unlawfully to restrain interstate commerce in non-union coal, by inciting strikes and otherwise unlawfully interfering with the operation of mines which do not employ union labor; that the operators of the Central Competitive Field and the defendants were and are engaged in an unlawful conspiracy to restrain the plaintiffs' interstate commerce and so to reduce competition with the aforesaid operators; that in pursuance of this conspiracy, the defendants have sought maliciously to induce the employees of the plaintiff companies to break their contracts, have used force and intimidation to compel them to cease their work, and have called a strike which is still effective as to the plaintiffs' mines, for the purpose of unionizing these mines, 90% of the products of which enters interstate commerce, and in particular to compel the adoption of closed-shop agreements with provisions for a uniform basic wage scale and the check-off; and divers other things for which there is no space here. The court granted a permanent injunction, prohibiting the defendants from interfering with employees or persons seeking employment, trespassing on the plaintiffs' property, or injuring it, inducing employees to break their contracts, or inciting others to do any of these things. Probably the case will go higher, but Section 20 of the Clayton Act will furnish the union no assistance, for the court took pains to point out in its findings that the defendants were not employees or ex-employees of the plaintiffs, but stood "in the relation of strangers."

Meanwhile, another battle in this particular war has been fought up to the Circuit Court of Appeals. In 1925, the West Virginia-Pittsburgh Coal Company secured an injunction from a Federal district court against the United Mine Workers and its officers; it was couched in about the same general terms as those of the injunction in the preceding case. The defendants appealed, and the Circuit Court of Appeals decided,[1] on October 29, 1926, that the injunction should stand, substantially unchanged, on the authority of the Hitchman case.[2] It was urged that certain parts of the injunction were inconsistent with Section 20 of the

[1] Bittner vs. West Virginia-Pittsburgh Coal Company, 15 Fed. (2d) 652.
[2] Hitchman Coal and Coke Company vs. Mitchell et al., 245 U. S. 229.

Clayton Act, but the court, on the authority of the Tri-City case,[1] held that a labor union, whether or not there was public disorder or threatened violence, was not within the protection of the statute when it resorted to fraud and deception to undermine and destroy the rights of an employer.

An interesting variation is furnished by the application (to a State court) of thirty-six non-union miners employed at a mine in the same field for an injunction restraining the union, its officers and members, from interfering with their work and subjecting them to insult, coercion, and violence. They claimed that these acts threatened to result in irreparable injury to their health, and would eventually force so many of them to quit work that the mine would have to close, throwing all of them out of employment. The injunction was granted,[2] in terms that are unusually detailed and comprehensive. It was promptly and repeatedly violated, and forty-nine picketers were adjudged guilty of contempt of court.[3] In contrast to the cases wherein the presence of an anti-injunction law has supposedly tempered the attitude of the courts toward picketing, it is interesting to note the decision handed down by the Court of Appeals of New York State on May 31, 1927, with regard to the use of the injunction against picketing. In 1925 the Waiters' and Waitresses' Union of New York City began an attempt to organize the waitresses of the Exchange Bakery & Restaurant, Inc. Four waitresses joined the union and went out on strike, and the place was then picketed by two women. The decision of the Court of Appeals affects the injunction restraining picketing issued at the time by the lower court. In the course of his opinion Judge Andrews declared:

> It is lawful for a union to initiate strikes and picket shops for other workers', not their members', work. . . . The purpose of the labor union to improve the conditions under which its members do their work, to increase their wages, to assist them in other ways, would justify what would otherwise be wrong. So would an effort to increase its members and unionize the entire trade or business. . . . A labor union may be as interested in the wages of those not members or the conditions under which they work as in its own members because of the influence of one upon the other. . . . An economic organization today is not based on the single shop.

[1] American Steel Foundries vs. Tri-City Central Trades Council, 257 U. S. 184.
[2] Leonard vs. Bittner, Circ. Court, Marion Co., W. Va., Sept. 26, 1925.
[3] Ibid., Oct. 15, 1925.

Labor would have cause for congratulation if there were assurances that the spirit of this decision would penetrate the lower courts and influence their judgments. But in practice the lower courts have not refrained from issuing drastic ex-parte injunctions imposing severe restrictions upon the right to picket. An appeal from the verdicts of the lower courts involves long delay and heavy expense. Yet the decision is noteworthy for the great amount of realism shown in the reasoning. And incidentally, the assertion that economic organization today is not based on the single shop might profitably be incorporated in the body of beliefs and practices to which not only the courts but many a union in the United States might subscribe.

5. The Labor End of the Sherman Law

While in case after case it is demonstrated ever more conclusively that anti-injunction laws modeled after the Clayton Act are only declaratory of existing law and, therefore, secure for labor no greater freedom from "government by injunction" than it had before, it is also becoming clearer that unions must study the terms of the Sherman Act (and, presumably, similar State statutes) more attentively in planning their belligerent activities. There have been several cases within the period under consideration which are decidedly illuminating.

The first is concerned with an association of employers, but it grew out of a labor dispute, and the principle which may be deduced from it is one that labor would do well to ponder.

Prior to February 1, 1921, building operations in San Francisco depended largely on the good will of the building-trades unions, which included about 99% of the workmen engaged in the building industries. The climax to a long series of controversies came in 1921 when the unions refused to be bound by the wage award made by an arbitral board, and building operations practically ceased. The Industrial Association of San Francisco was organized by the Chamber of Commerce to secure outside workmen. Subsequently, this association, together with the Builders' Exchange (which had a membership of over 1000 building contractors and dealers in building material) and other employers' organizations in California, devised the "American plan," which was essentially the open-shop policy. Its cornerstone was the permit system. Certain specified kinds of materials (almost all of which were

produced in California) would be furnished only to builders or contractors with a permit from the Builders' Exchange, and permits were withheld when the "American plan" was not adopted or enforced. The Federal District Attorney brought suit against the Industrial Association and its allies under the Sherman Act, and the District Court granted a decree enjoining them from applying the permit system to materials coming from other States. The Supreme Court reversed this decree.[1] They were not concerned, Mr. Justice Sutherland pointed out, with the conflict between the policy of the closed shop and that of the open shop, but only with the question whether the means adopted to effect either was forbidden by the anti-trust laws. Now in this case there was no intention or desire to interfere with interstate commerce, as is evidenced by the fact that "the selection of materials subject to the permit system was substantially confined to California productions." Though some 28,000 permits were issued, there is no evidence that any of them related to materials from outside the State. It was argued for the government that the restriction of building operations caused by the permit system diminished the demand for building materials made in other States, such as plumbers' supplies, and so interfered with interstate trade, but the court declared that this result was too remote and indirect to bring the case within the Sherman Act. The interferences which, the court thinks, may have been unlawful, took place in only three or four "sporadic and doubtful instances" during a period of two years, and affected only an insignificant part of the materials used in San Francisco in that time, and the law will not concern itself with trifles. The court was unanimous, and the decision seems beyond criticism. There is no good reason for unloading local controversies of this nature upon the Federal courts. There is a law in California which prohibits combinations to restrict trade or commerce.

The next anti-trust case to be noticed involved a combination of employing stevedores and shipowners in Portland, which had established a "hiring hall" in which longshoremen must register in order to obtain positions with members of the association. If registration were refused, an applicant could not obtain work from these employers, who controlled practically all the loading and discharging of ships engaged in interstate and foreign com-

[1] Industrial Association of San Francisco vs. U. S., 268 U. S. 64. Apr. 13, 1925.

merce that took place in Portland. Stevedores who could not secure work because of this arrangement asked the Federal District Court for an injunction under the Sherman Act. It was refused, and this decision was approved by the Circuit Court of Appeals.[1] It did not appear in the complaint that there had actually been any interference with the loading or unloading of goods moving in interstate commerce, or that the transportation of such goods had been hindered in any way. The gist of the complaint is that "certain persons have not been employed as longshoremen at Portland." But it may fairly be deduced from three recent decisions of the Supreme Court [2] that a combination dealing solely with questions of employment is not in violation of the Sherman Act, because the employment is connected with goods which will enter interstate commerce, and the acts of the combination may incidentally affect such commerce. The case is really the complement of the Leather Workers' Union case; neither a strike by employees nor a restrictive employment agreement by employers is brought within the Sherman Act by the fact that the latter's business is related to interstate trade. Both capital and labor should be willing to leave this principle undisturbed.

But if the employer's business is interstate trade and the employees affected by a restrictive employment agreement are actually engaged in interstate commerce, the situation is altogether different. The shipowners of the Pacific coast, who owned, operated, or controlled practically all the American merchant vessels engaged in interstate and foreign commerce among the ports of the Pacific coast and with foreign countries, entered into an agreement to employ no seaman unless he bore a certificate issued by certain registry offices set up by the owners. These offices assigned seamen in order to specified employment on specified ships, and they had no choice in the matter. The lower courts thought seamen who were affected by the arrangement had no ground for complaint under the Sherman Act, but the Supreme Court disagreed with them.[3] There was no doubt, in the opinion

[1] Tilbury et al. vs. Oregon Stevedoring Company Inc., 7 Fed. (2d) 1. Aug. 3, 1925.

[2] United Leather Workers' International Union vs. Herkert and Meisel Trunk Company, 265 U. S. 457; United Mine Workers of America vs. Coronado Coal Company, 259 U. S. 344; and Industrial Association of San Francisco vs. U. S., 268 U. S. 64.

[3] Anderson vs. Shipowners' Association, U. S. Supr. Ct. Adv. Opins., Dec. 15, 1926, 168. Nov. 22, 1926.

of the court, that the owners had placed themselves under the restraint of their association in the hiring of seamen. If such a restraint had related to the carriage of goods, its illegality would be plain. But ships and those who operate them are instrumentalities of commerce and come within the commerce clause no less than cargoes. The necessary and direct effect of the combination was to "unduly interfere with the free exercise of their rights by those engaged, or who wish to engage, in trade and commerce," in the words of the Colgate case,[1] quoted with approval by the court. The shipowners thought their action within the principles of the Industrial Association case, the Herkert and Meisel case, and the Coronado case, cited above; but the court distinguished these on the ground that the effect on interstate commerce, in all three instances, was purely indirect and secondary. Building, manufacturing, and mining are not in themselves commerce, and the acts complained of in those cases "spent their intended and direct force upon a local situation." [2] The reasoning is convincing, and the conclusion does not appear to invalidate the principle deduced in the last paragraph. However, there may well be a difference of opinion as to whether the work of stevedores should be classed as part of the process of manufacture or as part of the process of transportation, and it is by no means inconceivable that the Supreme Court would not approve of the decision in the Oregon Stevedoring Company's case.

No decision, within the last two years, has attracted so much attention in labor circles as that rendered by the Federal Supreme Court, on April 11, 1927, in the case of the Bedford Cut Stone Company.[3] The defendant association was a union of about 5000 stone cutters, divided into over 150 locals scattered over the various States and Canada. For many years there was a working agreement between the union and the plaintiff company, which operates large quarries in Indiana, but in 1921 the company refused to renew the agreement. There was a strike, followed by a lockout, and eventually the company formed an "independent union" for the men in its plants. The association then notified its members throughout the country to observe the rule that none should work on "any material that has been cut by men working

[1] U. S. vs. Colgate and Company, 250 U. S. 300.
[2] Industrial Association vs. U. S., 268 U. S. 64, at p. 82.
[3] Bedford Cut Stone Company et al. vs. Journeymen Stone Cutters' Association of North America et al., U. S. Supr. Ct. Adv. Opins., May 1, 1927.

in opposition to this association." There was evidence that customers of the company in other States were deterred from buying its products because of this action, and the company sought an injunction under the Sherman Act. The Federal District Court refused to grant it, and the Circuit Court of Appeals was of the same opinion. But the Supreme Court thought otherwise. The reasons are set forth at some length by Mr. Justice Sutherland. The union and its members were not within the protection of the Herkert and Meisel case, for their acts in particular instances, though local and intrastate in character, were not in pursuance of a local motive, but has as their primary aim restraint of interstate sale and shipment of the commodity. Though their ultimate end may have been solely to unionize the workers at the Indiana quarries, the means they adopted show plainly an intent to restrain interstate commerce. Essentially the case is on all fours with the Duplex Company case, which is quoted freely. Whether or not an injunction would have issued at common law is immaterial. Two justices, Stone and Sanford, concur with the majority—reluctantly, it would appear—solely because of the "controlling authority" of the Duplex Company vs. Deering. But Mr. Justice Brandeis writes a very persuasive dissenting opinion. He refuses to discuss the question whether the restraint was a direct restraint on interstate commerce, for he contends the injunction should be refused, because the restraint in any case was a reasonable one, and only unreasonable restraints are prohibited by the Act.[1] The measure of reasonableness must be discovered in the principles of the common law, and "tested by these principles, the propriety of the union's conduct can hardly be doubted by one who believes in the organization of labor." They did not use picketing, break contracts, or resort to violence, intimidation, or fraud. They avoided the secondary boycott frowned on in the Duplex Company case. The union was composed of members wholly of one craft, united for self-protection, and their action was by way of self-protection against the most powerful of their employers. They relied on their own efforts; there was no sympathetic strike. Both in the character of the acts committed, the occasion and purpose of the action taken, and the scope of the combination, there are vital differences between this case and that of the Duplex Company. The action in the latter case, too, was

[1] Standard Oil Company vs. U. S., 221 U. S. 1.

offensive; in this one, purely defensive. If, under the anti-trust acts, refusal to work can be enjoined in a case like this, Congress has created an instrument of restraint which reminds one of involuntary servitude.

Space will not permit a critical analysis of the two opinions, which will repay careful study. Broadly speaking, they represent the conflict of two economic philosophies—the philosophy of those who thoroughly believe in the organization of labor, and that of those who do not. The former refuse to class as an unreasonable restraint of trade, within the meaning of the anti-trust statutes, any activities that are necessary and proper for the securing of the legitimate ends for which unions exist. The latter are chiefly concerned with the effect on the business of the employers. No matter with which view one agrees, it is difficult to avoid the conclusion that in fact the decision sets narrower boundaries to the action of unions in labor disputes. While it is true that the terms of the Duplex injunction were broad enough to cover the acts of the stone cutters, the campaign in the earlier case included many objectionable features not found in the present one. The next move doubtless will be on the floor of Congress.

ALBERT RUSSELL ELLINGWOOD.

PART FOUR: THE MIND OF LABOR, IDEAS AND LEADERSHIP

Part Four

The Mind of Labor, Ideas and Leadership

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PART FOUR

THE MIND OF LABOR, IDEAS AND LEADERSHIP

Wanted—The Philosophy of the American Labor Movement

The call for a philosophy, or *the* philosophy, of the American labor movement is not unlikely to be challenged as the invention of an intellectualist mentality and, therefore, as basically unsound and foreign to the soil and the mind of America. For have we not been told emphatically, time and again, that labor in the United States would submit to no mental strait-jacketing, and that only the concrete and the most immediate stands a chance of arresting the attention of the essentially pragmatic American mind?

If the experience of the past necessarily mirrors the future, this argument has the appearance of correctness. Not one organized and articulated mode of thinking which reasonably would lay claim to a hold on any significant section of organized American labor has as yet come to the fore. Barring scattered and ineffectual groups, the movement has actually remained immune to all philosophic lure. It is doubtful, however, whether this really proves anything. The fact that American labor has not absorbed and made its own any one of the philosophies which have at one time or another been floated in the market does not necessarily prove that opposition to any philosophy whatsoever is fundamental to the mental life of the movement. The fact may as well signify that no *adequate* philosophy has really been offered, or that none has been offered in a manner which would make an effective appeal to American labor.

More significant, however, seems to be the point that there is no basis in fact to the claim that American labor has rejected all philosophy. American labor has subscribed to a general theory or philosophy even though the "thing" went without a label. The elder statesmen of American labor made a virtue of denying the need of any philosophy of and for the movement. They surrounded that attitude of *no philosophy* with an intellectual halo and made it in fact, if not in name, *the philosophy*, the rigid adherence to which was made the test of loyalty to and the condition of good standing in the movement.

The outcry of the elder statesmen against all philosophy was a political move at first. It was the big stick which the elder statesmen raised against ambitious aspirants after leadership who tried to rise to influence on the crest of an advanced theory or philosophy. The elder statesmen exploited popular distrust of intellectualism, ignorant fear of the word "philosophy," to ward off all attempts at evolving a sustained and constructive labor theory. Any approach to the realities of the movement, based on a critical attitude toward entrenched leadership, was laughed out of court as *a philosophy* or *a theory* when not ruled out as disruption or sedition. The story of the labor movement since the liquidation of the Knights of Labor and throughout the struggles of the Socialists and the other progressives against the pure-and-simplers abounds in corroborative examples. The "treat-'em-rough" course of the "no-philosophites" was eclipsed only by the lack of alertness and flexibility on the part of the "philosophers." De Leon, Debs, Haywood, were the stepping-stones leading to the throne of Gompers.

What had originally been only a maneuver took on soon enough a different coloring. The promoters of the attitude of no philosophy, perhaps because it proved successful, came to think that there was an intrinsic virtue in their utilitarian opposition to all philosophy, and so *no philosophy* became the statement of faith, the accepted *philosophy* of American labor.

If, at present, a need is felt of evolving *a* philosophy, or *the* philosophy of the American labor movement, the cause is not that the older one was nameless, but that it fell short of accomplishing the ends a philosophy must serve in the labor movement.

No philosophy means *no generalizations.* Under the régime of *no philosophy* the experiences of the single units of the labor movement are not to be utilized for the movement as a whole. The general store of knowledge of the labor movement is to be closed to intellectual importations from across the water. Each and every labor organization is to make or to break its life in its own way, and devil take the hindmost. Local autonomy, trade jurisdictions, "mind your own business" instead of coöperation in the industrial struggle, sectionalism in politics, these devices of a movement which fears generalizations are all too well known to justify more than mentioning them.

Accidents and *incidents* instead of a sustained line of experience, whims and moods instead of tested generalizations based on the telling lessons of carefully examined facts, such have been the results of the proud pragmatism of the philosophy of *no philosophy*.

The philosophy of no generalizations intended to keep the movement free from doctrinaire shackles. It has achieved little in this direction. It was responsible for half a century of rudderless wanderings in the intellectual void, and only now it begins to dawn on some of the leaders of the second generation that the American labor movement is badly in need of an orientation.

The American Federation of Labor in its early days said something about the inevitable clash of interests between the exploiters of labor and those exploited, which might have become a driving principle had it been put to use. But it was not. It was put to sleep in six-point type in the Federation's preamble.

Opposed to the formulation of an aim of the movement as a whole, beyond "more" and "better," and refusing, for the same reason, to generalize experience into a method of procedure, labor unavoidably fell victim to *taboos* and *cure-alls* of various kinds. Not provided with workable intellectual brakes, not equipped with a method of approach and a formulated aim of action with which to check up the validity of one proposal or another, the elder leaders of the movement could only boast of being pragmatists. They have really been dogmatists most of the time.

A glance at the major issues and problems which have been agitating the movement will show the extent to which the movement has lacked unified guidance and a unified orientation.

What, for instance, has been labor's attitude toward political action, on what basic precepts has that attitude been built? At one time a strict *taboo* is imposed on political action under the pretext of "no politics in the union." And at another time the movement is suddenly rushed on a third-party train toward a La Follette's Land of Promise.

Does labor believe in arbitration as a method of settling industrial disputes? One looks in vain for a sustained policy. Each unit of labor attempts to answer the question for itself. The material for the answer is usually drawn opportunistically. The probable choice of the personnel of the arbitration machinery, the anticipated attitude of public opinion toward one side or the other, or other exigencies of the immediate situation, not a sus-

tained policy, have been determining the attitudes of the units of the movement.

Is labor concerned with production? At one time utmost indifference is heralded as the policy, and next moment the B. & O. Plan is introduced as a panacea. Yet the issue is of basic significance to the movement, and it should be considered from the viewpoint of the labor movement as a whole.

Such questions as the open shop or the closed shop, piece-rates or week work, are further illustrations of the same point. Because of the lack of a sustained and tested attitude many unions have gone to pieces. Blind adherence to a cut-and-dried formula has been substituted for policy, and employing concerns have cleverly used this blind faith in *shibboleths* to destroy one union after another. The very life of trade unionism in a number of strategically important industries is threatened by company unionism, largely because on this issue, too, labor leadership has been dogmatic to the point of self-destruction, whereas capital has been pragmatic, flexible, alert.

In an age of ironclad organization of business, and with capital utilizing the services of expert thinking and knowledge, how long can labor afford to keep on floundering without clearly defined and acknowledged objectives and a direction based on all the experience of the movement and the knowledge of the age?

The issue is the philosophy *of* the movement, not a philosophy *for* the movement. Philosophies for the labor movement, made out of whole cloth, prepared on the outside, in party laboratories or in benevolent university seminars, have been thrown on the market frequently enough. Such philosophies, as it were, thoroughgoing, complete, bearing the earmarks of accurate cataloging and laborious research, can not meet the need. Only one coined in the workshops and the actualities of the movement is likely to prove a workable utensil. Only that philosophy will do which will synthesize the entire field of labor experience and develop and emphasize a relationship among all parts and issues. Only such will equip the active and constructive workers with what they need most, namely, a *method* for action, leaving to them the use and the application of the method.

THE EDITOR.

CHAPTER XXIV

WHAT IS THE LABOR PROBLEM?

Books on industrial relations deal with a multitude of specific labor problems—unemployment, industrial accidents, child labor, occupational disease, prevention and adjustment of industrial disputes, labor turnover, methods of wage payment, scientific management. Is "the labor problem" simply a convenient phrase to designate these topics collectively, or can we discover among them some fundamental unity which justifies us in regarding them as aspects of a larger whole which we may call *the* labor problem?

There are two ways of looking at labor problems. One is from a scientific point of view—never achieved, perhaps, but sometimes approximated, and for that reason important. It is aspired to by the scientist who studies trade unions, child labor, unemployment, in order to find out what *is* or what *might be*, without speculating about what *should be*. What is *the* problem that he is studying? His attention, quite evidently, is centered upon one class of people in society—those who sell their services to others rather than engage in production independently—and what he is studying is how they are affected by the fact that they work not for themselves but for others and under conditions more or less completely determined by others. More specifically, he is investigating how the economic and physical conditions and the administrative policies created by the wages system affect the wage-earners—their health and safety, their disposition to organize unions, their philosophy and ideals—in a word, how the institution of working for hire affects the lives of the hirelings. This is the labor problem from the scientific point of view.

To the vast majority of people, however, even to economists and sociologists, the labor problem is more than this. It is also a problem of ethics, a matter not simply of what is or what might be, but of what should be. It exists because man is not only the end, but also a means of production. Out of his dual capacity arises a conflict between his activities as a producer and his interests as a man—a clash between life and work, with the danger that work will dominate life, that the process of getting a living

will interfere unduly with the opportunity and capacity to lead the good life. From the ethical point of view, therefore, the labor problem is concerned with two principal things: with the effect of the prevailing economic institutions—and in particular the wages system and the conditions which accompany it—upon the conflict between life and work, and with the institutional changes needed in order to harmonize men's activities as laborers with their interests as men.

But this is extremely general. In what specific ways do economic arrangements affect the conflict between life and work, and what institutional changes are needed in order that work may contribute in greater degree to the achievement of the good life? Among the answers to these questions, little agreement can be expected. We are uncertain in many instances just how working conditions are affected by economic institutions; we still have much to learn concerning how men are affected physically and psychologically by the nature of their employment; we cannot always predict what changes in working conditions will result from a given institutional change; and finally, there are many conflicting ideas as to what is the good life. The first three difficulties may be expected to diminish with the development of economics, physiology, and psychology, but disagreements over what is the good life appear to be permanent. For values are inherently subjective; goodness and badness, desirability and undesirability, are matters of opinion, and it is impossible to judge anything right or wrong, desirable or undesirable, except by a standard which is itself a matter of opinion. The nature of the good life being inevitably open to controversy—and no doubt the world would be a dull place if it were not—how can we agree upon the ways in which living and getting a living are in conflict, and, therefore, upon the specific problems into which the general labor problem breaks up?

But the prospect of reaching an agreement upon the issues involved in the labor problem is not entirely hopeless. Differences concerning what should be done do not preclude agreement upon issues. Even though, for example, the proper length of the working day may always be disputed, most people would probably concede that the protection of wage-earners against excessive hours of toil is part of the labor problem. The following table presents an attempt to draw up a list of *issues* which most people would regard as parts of the labor problem.

Problems of protection	*Problems of adjusting and preventing industrial disputes*	*Problems of opportunity*
1. Protection of workers against: a. Unemployment b. Overspeeding c. Long hours d. Night work e. Accidents f. Industrial disease g. Unhealthy conditions h. Arbitrary treatment i. Low wages j. Unsuitable employment 2. Special problems of protecting women and children	1. Methods of preventing disputes from arising 2. Methods of settling grievances arising under existing trade agreements 3. Methods of settling the terms of new agreements	1. Opportunity to exercise, in course of daily work, initiative, judgment, skill, or such other qualities as are regarded as desirable 2. Opportunity for workers to abandon certain restrictive rules, policies, and customs which impair their earning capacity, without suffering unemployment, rate cuts, or other disadvantages 3. Opportunity to obtain a preparation for better jobs and a fair chance at them 4. Opportunity to gain pleasure from work 5. Opportunity to exercise a voice in the affairs of the industry 6. Opportunity to obtain release from work — vacations, opportunity to travel, etc.

It is not suggested that this classification does more than give definiteness to our idea of the labor problem, and perhaps introduce a little order into the bewildering variety of issues. It does not, of course, include every question which might be regarded as part of the problem. The classification, too, is somewhat arbitrary. Prevention of industrial disputes, for example, might be considered as a problem of protecting workers against disputes and might be classified with other problems of protection. It is

convenient, however, to put together the problems of preventing and adjusting industrial disputes. Whether a problem is to be classified as one of protection or of opportunity is also somewhat a matter of choice. Affording workers the chance to advance might be regarded as saving them from blind-alley jobs and classified as protecting them against undesirable conditions. But possibilities of alternative classification are bound to exist, no matter what the lines of division, and need not cause concern.

What of the immediate future of the labor problem? Whether regarded from the scientific or from the ethical point of view, the problem can never be solved. *As rapidly as it is being solved, it is being created*, not only by technological and institutional changes which alter the nature of working conditions and of jobs, but also by changes in our ideas of what is worth while. Every modification in our conception of the good life affects our conception of the labor problem. Thus by attaching greater value to leisure, we raise the issue of a shorter working day; by setting greater store upon initiative, judgment, and imagination, we create the problem of altering the organization of work so that the ordinary wage-earner has better opportunity to develop these qualities.

Nor does the labor problem seem likely to become less acute. Undoubtedly the domination of life by work can never be so great under freedom and a wages system as it was under slavery or serfdom. But in some respects the danger that technique will develop irrespective of human values is greater today than ever. Methods of production are now determined to an unprecedented degree by the systematic researches of specialists in the employ of business enterprises. These experts are not studying how to alter industrial processes in order that work may become a better preparation for the good life or even a part of the good life itself; they are simply hunting for ways to save money, regardless of how men in the industry are affected. When such an extraordinarily efficient instrument as modern science is so vigorously used to modify technique solely in the interest of more profits, regardless of the consequences to workmen and subject to no control by them, it is difficult to avoid the conclusion that things are in the saddle, that man is a slave to his creations, dominated by industry rather than making it serve his ends.

This impression is reënforced by the fact that science is not being used solely to change the physical processes of production.

For the first time in history nearly all manual toilers in several countries can read and write and possess full civil rights. As these free and educated workmen grow self-assertive and critical, employers naturally become interested in controlling their minds, in arousing among them attitudes acceptable to business, in fostering complacency and a wholesome fear of and contempt for all movements of protest. To this end an elaborate technique, including personnel experts, shop councils, house organs, stock-ownership plans, and group insurance, is being rapidly developed. In other words, under political democracy science supplants law as the device by which manual workers are kept in a state of subjection and their interests as men sacrificed to their functions as instruments of production. Those who regard the good life as contentment with one's lot will welcome the use of science for keeping workers satisfied. But those who cherish other ideals will feel that the more industry uses science to control wage-earners, the more imperative it becomes that workers share in the control of industry. They will conclude that the labor problem is becoming a problem of altering the government of industry. And in this struggle over control, perhaps the principal protection that wage-earners will have against the efforts of personnel experts to create complacency will be provided by business itself in the hundreds of millions of dollars which sales departments are spending each year to keep us all discontented. For it should not be forgotten that the sales manager, whose job is to make us dissatisfied with our lot, is a more formidable fomenter of industrial unrest than the "walking delegate."

SUMNER H. SLICHTER.

CHAPTER XXV

LABOR ATTITUDES

If an appraisal of the labor movement is to serve a useful end it must be free of preconceived notions and consider only actualities. Sympathies and dislikes, hackneyed attitudes and petrified programs, whether imported or home-made, should have no place in such an appraisal. Only facts and forces should be reckoned with.

Conservative or radical, what is your creed?—how often one hears the question. A surprising number of people attach importance to the answer. Many who have freed themselves of prejudices and preconceived notions in important fields of human endeavor are still slaves to words of very loose meaning. There are, for instance, radical labor unions, very radical ones, indeed. But if they wield no power and the standards and working conditions in their industries have fallen to a very low level, of what earthly use is their radicalism? On the other hand, there are unions notoriously conservative, thoroughly opposed to any aggressive or even forward-looking policy, but controlling the conditions under which their members are employed; they have secured for their members high wages and protection on the job. Would it not appear that their conservatism or the radicalism of the others is of no great significance to the primary purpose of the union, its usefulness to the men and women who compose it? What matters in reality is not the program or belief an organization adheres to, but the line of action which it follows. Furthermore, it must be remembered that neither conservatism nor radicalism or progressivism can be measured in terms of immediate returns. A union may have secured high wages and cut the day of toil below the prevailing average and yet prove to have accomplished little of enduring significance. These achievements may have come as a result of an industrial or political coincidence likely to pass as unexpectedly as it came. A union should be regarded as in an important sense progressive when it brings about a new condition in industry through the exercise of its power and when it skillfully utilizes a favorable coincidence of circumstances.

Policies and strategy are only the means to the end, and the

end is the realization of power for the movement. Without organization there is no power. It is a regrettable fact that the American labor movement is weak in point of organization. This, however, is totally overlooked by the journalists, the educators, and the social workers who so often come to the labor movement with recipes for rapid salvation. They propose to meet the problem of the working people by education. But would the worker's ability to understand and to appreciate the drama or literature generally help him to cope with the adverse industrial conditions that affect his life? The great handicap of the worker is not his inability to appreciate the good things of life, but his inability to secure these things. He needs powerful organization in order to get closer to what he wants. Appreciation will come as the sequel of power and possession. To be truly powerful, however, organization must penetrate national industry and business and embrace all branches of labor.

1. Organization of all Labor the Task Ahead

Only four million out of the thirty million wage-workers in this country are organized in trade unions; that is, only one out of every eight. This lack of organization is of fundamental significance to the American labor movement and generates a damaging state of mind. The vital need of extending the province of organization is scarcely realized. The experience of the Amalgamated Clothing Workers of America, as socially-minded a group as any, is illuminating in this connection. The Amalgamated took an active interest in the recent Passaic textile-workers' strike and raised a considerable amount of money for the textile workers in their fight for the right of organization. Its people made contributions toward the fund because they felt it their duty to do so. It did not occur to them, however, that they were just tackling the surface of a job that was theirs no less than the textile workers'. Money contributions, fraternal charity, are not even the beginning of the answer to the great need of the movement for organization. It is not merely our duty to help the workers in other industries fight for the right to organize. It is vitally important to us that they should be organized. For, however powerful any single unit of the movement may be, it can not achieve the full realization of its strength unless the movement in all its parts makes headway.

2. The Issue of Leadership

Labor in certain European countries is better organized than in America. As against the higher wage-rates and the richer standard of living which the American worker has to his advantage, labor in Europe may point to a number of quite important achievements. It is true, however, that trade unionism in the United States has done considerably more than unionism elsewhere for the protection of the worker on his job. The American trade union, because of the great measure of responsibility it assumes for the rights of labor while at work, is more closely related to industry and through it to management than labor in the Old World. This relation affects and complicates the problem of leadership in the American trade-union movement. It makes necessary for effective leadership an intimate understanding of the industry and a thorough knowledge of its operation, the possession of which goes hand in hand with practical experience and hard business sense. Effective leadership will possess, in addition to these qualities, mature, not amateurish, social idealism.

Because of the complicated problems of American industry, greater skill is required to achieve constructive leadership here than in the trade-union movement in the Old World. Labor leadership here must be more than an exercise in promises. It cannot prove effective unless it is responsible for the promises it makes. The American worker knows that he has a good deal to lose if his business is mismanaged, and he knows that strength of organization and work conditions are sensitive to changes of policy. Radical phrases, consequently, do not take the American worker off his feet, and he distrusts those who promise readily more than it seems likely may be accomplished. For this reason American labor leaders are restrained from promising more than they can possibly achieve. At the same time, American trade-union leadership is often classed as autocratic. To the extent that this is true, allowance is to be made for the unique position of American labor in industry.

3. Labor's Stakes in Industry

While European labor radicalism has been mostly political or sentimental, American labor is more likely to go out for economic radicalism than is generally assumed. The latter may not embrace

any impressive, high-sounding formulæ, but often tends to hit at the root of sacred taboos, as, for instance, in the case of the Glenn Plumb Plan of railroad administration.

A realistic labor program, to start with, must be related to the facts of industry and to the needs of both the workers and the industry. There is good reason to assume that such a program would be likely to meet with response from American labor if it succeeded in stating large objectives in simple and convincing terms. Labor in the United States cannot survive on a negative attitude toward industry as a whole. Changes in American industrial life are all too rapid and their effect on labor conditions all too drastic to allow labor to stand by idly and uninterestedly. The workers are interested in the success of the business enterprise in which they find employment. This, to be sure, also means that the business enterprise cannot really do well unless it recognizes the legitimate claims of labor. That in a number of industries organized labor has failed to recognize this situation is a deplorable fact, and the historical reward of this negative attitude is the dilapidated state of labor organization in a considerable number of important key industries. There has been a lot of loose talk in some quarters about class collaboration, a term which really means everything and nothing. It is an interesting fact that unions usually classed as solidly conservative have strictly adhered to the taboos of this scarecrow and have perished. After we in our organization have given a stubborn concern all the fight it wants and after we have brought them to recognize the status of labor in an orderly, constitutionalized industry, we send our best heads to put the firm's productive strength in shape. For if they prosper we may secure a share of that prosperity, and if they don't, it is we that may have to close shop. The workers must work in order that they may live.

4. The Education that is Needed

A constructive labor attitude must be stated in terms of the achievable. Those who think of our labor problems must remember that victory and defeat, as such, do not settle anything. A union may win a strike and then find out that the workers have lost the union, and, at times, lost the industry, which is equally bad. Nor is it unusual for a union to lose a strike, and for the employer to discover when it is too late that he has lost his business. In

the final count only such settlement of a conflict matters as increases or enlarges the power of the workers' organization.

It must be remembered, however, that there is a fine line between the use of power and its abuse and that a transgression over this line will not infrequently turn victory and power into defeat and weakness. A realistic attitude toward the problem of labor organization will bear in mind that the happiest solution of almost any conflict is likely to be achieved before all resources are drawn into the fight. One is more likely to succeed in getting concessions while on speaking and bargaining terms with the opposing side than when those terms no longer exist. Once a fight is on, the desire to win the fight develops, even though victory may mean ultimate defeat. The realist combatant will not disregard this human element in the situation.

Much is being said about labor education. Labor certainly needs more education. And so do the employers. But stereotyped education holds out no promise. Labor, and the employers as well, need an education in the realities of life. Labor is but an asset of life. Labor cannot be reduced to cut-and-dried prescripts, as life itself cannot. The needs of labor, if intelligently and realistically appraised, constitute the objective foundations of the course and attitudes of the labor movement. No laboratory methods or programs evolved out of abstract thinking will prove effective. The living experience of labor determines the steps that labor is obliged to take. And education that will bring the worker closest to that experience will be likely to render a genuine service. It will arm labor with an outlook and orientation rich and vital in the possibilities they open.

SIDNEY HILLMAN.

CHAPTER XXVI

THE RACE FOR LEADERSHIP

American labor is non-political. Such is the assumption on which discussion of it normally starts, sadly in the case of Socialists who feel their anemia reaching a pernicious stage, righteously in the case of A. F. of L. officialdom since the Atlantic City convention turned away from La Follette, determinedly in the case of the Workers' party. In reality, each of these groups represents a stage toward grasping two facts: first, that the non-existence of genuine political action on a national scale in America makes the question of labor participation in it impossible, and secondly, that the American labor movement is in itself a group of bodies politic, many of which afford in their inner workings unusually intense examples of the contest for state control.

In one sense, all America is non-political. It is necessary constantly to remember that in these United States the most keenly directed energy has a business address. In other countries economics may be said to underlie politics; here business has substituted for both; the energy which abroad is expended in creating loyalty to a flag is here utilized in producing insistence on a trademark. This is the important side of the truism that in America national politics do not matter. The resources piled on the safe side of the frontier have been so many that the outstanding European problem, the question of the wisest expenditure of a limited surplus, has not arisen to require the nation as a unit to choose between rival, distinguishable, and continuous policies for its disposal. Consequently there has grown up the American system by which a phantom people elects representatives who are overshadowed by interests, with the result that legislation has been, and is, the action of special-interest groups (with business far outweighing that of humanitarian, feminist, labor, religious, or other organizations combined) to an extent unparalleled elsewhere. So long as such is the case, continuity of purpose from immediate end to immediate end is unnecessary; hence our absence of politics on a basis comprehensible to Europeans. Hence, also, the much

vaunted "non-partisan" political policy of American labor. What labor has been doing in "rewarding its friends and punishing its enemies" is directly comparable, on the part of those whose contribution is largely in terms of votes, to the bipartisan subscriptions to both Republican and Democratic campaign funds on the part of large corporations. It is highly questionable whether labor has not been, in proportion to its strength, quite as much a participant in the mechanism of American legislation as the other forces in the field, particularly if the time spent by the A. F. of L. is fully taken into account.

The process, however, can hardly be called political. To the political action on a national scale participated in by European trade-union movements we have no parallel. Necessity has not yet forced our country to think consecutively about its institutions; it is just beginning to evaluate them, and the consequent development of alternative views as to their treatment has hardly started. Certainly whatever American labor may have to offer is as yet thoroughly concealed in a miscellaneously directed sectionalism.

1. The Political Process within the Movement

On the other hand, there exists within many of our unions something strikingly like a genuine political process. The lack of surplus which is the very condition of organization gives importance to the policies by which a surplus is made to fluctuate. Further, a continuous economic pressure on the union to keep up with the speed of expansion of industry and change of industrial technique makes for a running fire of criticism within its ranks. The conditions are present for a government and an opposition, for an antithesis between office-holders on one side and office-seekers on another. In many cases, of course, decisions can be made in terms of momentary advantage; under such circumstances the officials treat an economic situation with the same opportunism used in deciding for or against measures and men in the governmental field, and frequently work through a machine that would gladden the heart of a ward boss; but there are certain obstacles tending to prevent the duplication of American political irresponsibility in union affairs. For one thing, the group concerned is definite and coherent, as a general electorate cannot be. Its security is sufficiently uncertain to remain interesting, its area of possible

operation sufficiently limited to be cautiously handled, its surplus sufficiently marginal to be worth fighting for. The concentration of the group's attention more or less exclusively on the results of certain decisions makes it difficult for a leader to remain in power and escape the long-run effect of his actions. These circumstances produce a conflict which is much more like politics in the European sense than anything else in America.

But there are two respects in which American union politics are unique. One is the forcing of the pace of union adaptability caused by the rate of change of industrial form in a rapidly consolidating capitalism. The other is the interplay of racial and national groups in its effect both on the manipulative side of leadership and on the concept of the function of the union as an institution. The first of these originates in the transition from craft to industry. While it is of course common to the western world, the rate of introduction of the large plant, the machine, and the machine-minder, often a woman and always unskilled, has here been tremendously accelerated. As a result the youth-and-age conflict has been given a tinge of bitterness beyond the ordinary; the older generation is challenged not only as to its strength, but as to the relevance of its knowledge; for the group of leaders who constitute the old guard in our unions today were formed in one America and are controlling in another.

Take the case of Gompers. Gompers grew up in the midst of the period of the philosophy of the Somehow Good. It was the time which made Browning possible in England, and Bok in America. It was the era of the hopeful exploitation of the western hemisphere, when men were men and immigrants were Americans. The forces of nature were great, or if not great at any rate large, and the energy of men expended itself in a humorless attempt to be like them. Struggle so often led to a happy ending that it seemed to have a meaning and could be conventionalized into a good, and this was especially so where the struggle was of yesterday and not of today and one could tell about it as a veteran. In the midst of a hard-breathing activism, able men developed a sense for effectiveness by hasty trial and costly error. They could feel a situation and manage it. Situations followed each other so rapidly that consideration of one in relation to the next was practically impossible; when occasionally they did try to rationalize their acts into a single course of behavior they usually ended by discovering

truisms. The New York of Gompers' youth was a New York of time-consuming distances covered with low frame houses and connected by horse-cars. The city which sprang up as a symbol of developed industry and amalgamation—pyramiding space and shuttled by subway expresses—came later. The silent shop, with its minute repetitions and mechanical undertone, has replaced the roomful of joshing craftsmen. The growing youth who is set to work in such a place comes out with ideas different from his father's.

2. The Heritage of the Second Immigration

But the contrast between the old and the young leadership comes from more than the difference between industrial and craft training. Generally speaking, the two groups bring with them a different racial or national past. This condition is of course peculiarly American, and the present economic politics of working America are by and large a struggle between the Second and the Third Immigration.

To begin with, the Third Immigration had to find a place for itself in what was already a going concern. The arrival of the Second Immigration gave form to trade unionism much as the establishment of the First institutionalized American business. The mold of the whole A. F. of L. was that of corporate organization entered into by the Second Immigration for its own protection and advancement. It differentiated itself from wider-based popular movements such as the Knights of Labor, or groups of the unbusinesslike and the unskilled like the I. W. W. The Third Immigration was a conditioning factor of this institutionalization, not a part. Its coming coincided with the introduction of standardizing machinery (cf. the simultaneous arrival of the Bohemian and the mold in cigarmaking), and the crafts had to face both together. Their relation was one of cultivation following on antagonism. As a perpetual lowerer of standards, the newcomer was regarded dubiously (witness labor's support of anti-immigration bills), but if he got in he had to be organized out of his tendency to strikebreak. Early in his career Gompers stated: "One of the main objects of our organization is the elevation of the lowest-paid worker to the standard of the highest, and in time we must secure for every person in the trade an existence worthy of human beings." But where the immigrant, the woman, or the Negro has

entered a part of a trade in which he is not an immediately competing factor, something, perhaps a more or less unconscious adherence to a wages fund theory, has delayed the accomplishment of this aspiration.

The difference between the newcomer and the newcomer-before-last is very marked. The characteristics of the group that has held power are all related to a Nordic activism. They are Elks and Odd Fellows; they have no love of theory; they have a sense for business bargaining and its accompanying compromise; when it comes to a question of industrial warfare they fight with relish. They are Americans and individualists; each of them could say with Gompers:

> It was without a question that I accepted American customs and American institutions and the American life. To my mind the foreigner was the one who did not identify himself with American life and purposes. . . . I have resisted unswervingly all proposals to inaugurate government ownership and operation for two reasons: first, because I believe our main dependence lies in individual initiative; and secondly, because I believe the economic field is essentially different from the political and the legal.

3. The Newer Unionism as a Means to the End

The later arrivals are an almost complete contrast. Whether from the American South or from Russia, from Mediterranean Europe or from Mexico, they come from a non-industrialized country. So do the women, from a land bounded on the east by the sink and on the west by the bedpost. They have no understanding of doing something for the sake of doing something; the resultant quiet is filled, as the case may be, with passivity or with reflection. Those who reflect have theories and talk a very great deal about them. The rest, coming from the custom-ruled existence of agriculture or of domesticity, accept in large part the plan of life offered by whoever takes them up first on the market, be it boss or business agent. They vote as they are told.

The struggle of the official movement with this situation divides into two parts. The organization of the sweated lowerer of standards is the first part. The second is the retention of the union after he has been organized. The old craft unions have in a majority of cases hardened into machines. Their mechanism is almost indistinguishable from that of the major political parties. Job security, recognition from the floor at local meetings, office-holding

through election (by acclamation) on a slated ticket, patronage in the appointment of organizers, control of funds, all have political parallels. The part of the controlling group is to keep the show going. If all is well, the stage is neatly set for an audience whose business it is not to know what props the scenery or if the hero's breastplate is really the lid of a washboiler, but to observe the unity and satisfactoriness of the general effect. The stage managers laugh last.

But all has not been entirely well. The old system of opportunism has placed personal leadership high. The idea has caught on. Little by little the passive groups have begun to run their own racial and national candidates. But these candidates have run as more than personal representatives of nationalities. They have formulated programs. As a result issues are developing. The post-war union atmosphere is loud with splittings. Negatively, the programs lead an attack on the machine, including a cutting down of graft, a democratization of political machinery at national conventions and in the election of organizers, and the effective retirement of hangers-on of bureaucracy and the superannuated. Positively, they call for changes in union structure and aims. On the industrial side the demand is for organization built to follow the lines of twentieth-century business. Perhaps the most important change is that there should be an other than industrial side. The new unionism offers to supply its members with insurance, homes, savings accounts, night schools, commissaries, music, and investments. Such things in themselves are doubtless unimportant; certain of them will probably fail. But they are manifestations of a new fact, and perchance a significant one; a considerable number of the people interested in them regard them not as ends but as means. This implies that in parts of the union world there is growing up a concept of living against which day-to-day acts in the disposition of material resources have to be measured, a philosophy such as lies back of political parties in the European sense. It is a vague affair, influenced by every increment of immediate action; it divides with the old system the manipulative processes of leadership, and beyond these it has the characteristics of a genuine political struggle for the institutional expression of an idea of life.

Helen D. Hill.

CHAPTER XXVII

IF AMERICAN LABOR IS TO BE ORGANIZED

The American Federation of Labor is dominant in the American trade-union movement today. It is, however, by no means *the* movement. We are taking much for granted when we speak of the present chaotic decentralized trade-union activities in the United States as a movement. The policies and attitude taken by our trade unions are rarely, if ever, actuated by any common aim or purpose.

Whether the American Federation of Labor is destined to be dominant in the future or whether it must give way to a different re-grouping of forces is a problem vital to labor in the United States. If the A. F. of L. is inadequate, as many thoughtful observers contend, what can be done to meet the situation? Can the A. F. of L. be restored to vitality without drastic departure from its present structure and policies? This problem takes precedence of even such much-talked-of issues as political action by the workers. For until much greater trade-union organization is achieved, the formation and effective functioning of a workers' independent political party is altogether impossible. The industrial struggle will arouse class consciousness and develop political understanding. Industrial organization will give the political movement its operating base and rallying quality.

1. The A. F. of L. and the Labor Movement

Ever since the first convention of the American Federation of Labor, one question has stood out prominently: whether or not the loosely linked, autonomous craft unions, each maintaining jurisdiction within a particular trade or subdivision of industry, could protect the workers against the increasing centralization of employing forces. To this day no decision has been rendered in the two-sided question: first, whether or not the A. F. of L. can be constructed, in whole or in part, so that it may serve the aims for which it came into being; and, secondly, whether or not a new movement can take root so long as the A. F. of L. occupies its

position as the recognized expression, and only bona fide representative, of labor.

The purpose of this discussion is to show that the A. F. of L. and its component unions are becoming an ever-diminishing factor. The building-trades unions are the backbone of the A. F. of L. Any crisis that may weaken the building-trades unions and break the strength of the Building Trades Councils is bound to affect the A. F. of L. very seriously. Employers in the building trades have long been preparing for a showdown, and a state of saturation in the building market, which we are slowly approaching, is likely to cripple the Building Trades Councils. Lack of centralized control by the Building Trades Councils would lead each constituent union to fight for self-preservation, regardless of the others. In important industries other than coal mining and the building and printing trades, the A. F. of L. can hardly be taken seriously. The railroad workers, although in the main guided and actuated by the Federation's policies, are organized outside of the A. F. of L. The basic industries employing the greatest numbers of workers are practically unorganized. The steel industry, packing house, metal and manufacturing, textile, food products, clerical (white collar) workers, and others are not organized and probably could not be effectively organized along the A. F. of L. craft-union lines. These must be organized along the lines of their respective industries, each grouping probably differing from the others, but all essentially industrial.

In many cases fostered by employers, many of the national and international unions are mere job-trusts maintaining aristocracies of labor whose interests are not identical with those of the unorganized wage-workers. They maintain their present status because the employers by granting the more highly skilled organized categories a wage so much higher than the less skilled and unskilled, are able to divide the workers into two distinct classes. The higher wages, shorter hours, and better conditions of the skilled and privileged minority are really secured at the expense of the many.

In spite of considerable loss of membership by practically all A. F. of L. unions composed of shop and factory workers, their national organizations continue to carry the "machine forces" of the union, that is, the men who have to be taken care of. This brings out another significant phase of A. F. of L. unionism.

The proceeds from membership dues are not always the basis of the income which unions need to maintain their official staffs. Some unions could afford to lose a large portion if not all of their membership, and yet remain financially solvent. Similarly, when the situation requires, some unions can afford to "expel" large numbers of workers. Were the greater part of a membership to secede or to shift its affiliation to some other organization, the parent union could still continue to exist and claim to be the bona fide union. Farsighted investments assure a permanent income sufficient to meet the pay roll of the official family, enabling them to exist, to pay per capita, and retain A. F. of L. status.

The A. F. of L. as constituted at present does not serve the vital interests of the wage-workers as a whole. On the contrary, the present loose-federation form of the central body as well as the narrow craft-union structure of most A. F. of L. unions serve the interests of the employers by barring the organization of the bulk of the working people. Surely, it serves the purpose of the employers to have the A. F. of L. and its unions spoken of as the bona fide labor movement.

2. "Borers," "Smashers," and the Independent Unions

The foregoing criticism need not imply approval of a "smash-the-A. F. of L." attitude. All efforts to bore from within in the hope of capturing or remodeling the American Federation of Labor have proved futile. Nor does a dual union present itself as a workable and effective policy.

After the War, great efforts were made to broaden the American Federation of Labor unions along industrial lines by amalgamation of related craft organizations. The resultant expulsions and deliberate sabotage on the part of the higher officials of some A. F. of L. unions clearly proved the hopelessness of the boring, remodeling, or capturing strategy. Surely there was never a better opportunity than the one at that time. The reformers were well versed in trade-union procedure and were prominent and active in their respective organizations. They failed, nevertheless.

The error of the capturers lies in their utter lack of comprehension of the nature of the A. F. of L., its purpose, and its functioning. They believe that reactionary leadership can be removed, or that replacing such leadership may cause a remodeling of the

American Federation of Labor and its affiliated unions. They overlook the important fact that the A. F. of L. union leadership reflects the minds of most of the craft-union members, and that most of these unions actually have served, and still serve, the interests of those who are their members, or surely of a majority of them. To demand of the A. F. of L. leadership that it concern itself with the unorganized is useless. As at present constituted and minded, neither the A. F. of L. as a whole nor most of its affiliated unions have anything to gain by undertaking the organizing of the unorganized, and least of all by organizing the unskilled or semi-skilled.

Although the higher officials of the A. F. of L. unions are not concerned with strengthening and unifying the potential power of labor either on the industrial or on the political field, the tendency of the labor movement as a whole seems to be in that direction. The issue is being raised within the Federation by the more farsighted leaders, and, on the outside, by the unorganized who seek, and are apparently prepared to respond to, any tangible grouping with an effective appeal and a practical program.

When the situation is viewed in the above light, existing independent unions and groups become factors to be reckoned with. Most of their membership are former A. F. of L. union members, only a comparative few, however, being "secessionists." Their leaders are nearly all students of the movement, and these can be counted on to play a leading rôle in the development of a virile movement. The lesser, and largely theoretical, differences which kept them antagonistic to one another are being rapidly dissipated. The larger interests of their respective movements demand that they come to agreement.

Grave harm to the American movement has resulted from the A. F. of L. organizing methods, under which the workers have always been split up and allotted to innumerable craft-union organizations when they attempted to organize. No group of A. F. of L. unions ever were prepared to act in harmony with one another during or after an organization drive or strike. Indeed they could not very well do so in face of the constitutional limitations of each, and the conventional craft-preferment attitude of the Federation itself.

The experiences of the steel, packing house, textile, metal and

manufacturing industry revolts, bear witness to the above statement. In all cases the central strike headquarters really played the rôle of clearing houses, assigning one worker to this union, another to that, although both might work in the same building and often in the same department. In this manner the spirit of unity which prompted the revolt was broken, the ranks demoralized, and morale shattered. Worst of all, this segregating of certain categories of workers enabled the employer to offer special inducements to certain crafts and permitted him to deal separately with each union instead of with the workers as a body. The same procedure was followed in the efforts to organize the automobile industry. That move by the American Federation of Labor, though not the empty gesture some considered it, forestalled the spontaneous response with which such an effort would have been received had it been planned industrially. It kept the workers in suspense and restrained them from joining other moves until apathy again set in.

No attempt is made to charge the entire officialdom of the American Federation of Labor or all its unions with a lack of understanding of the problems of the labor movement. On the contrary, some of the ablest and most courageous labor militants are within the A. F. of L. unions. As a matter of fact, the lesser officials, particularly the local and branch officers and committeemen, realize their present impotence to alter, from within, the policies and structure of their respective craft unions. Only when the now unorganized workers whose interests necessitate organization are brought into the movement along the lines of their respective industries, can enough pressure be brought to bear to force the hands of the A. F. of L. officials by those who mean to see the movement effectively organized. It is a foregone conclusion that the A. F. of L. itself would broaden its structure considerably in order to prevent or retard the formation of an outside federation or center. After all, only those active inside the A. F. of L. unions, and having the confidence of its members, can further the broadening of A. F. of L. policy and structure; it cannot be done by interlopers, be their intentions ever so honest.

It is apparent to those who have been watching the course of American labor events that some move along lines of industrial formation on a national scale is impending.

3. What the Organization of the Unorganized Would Mean

The failure of labor to achieve any greater degree of working-class organization in the United States has been due primarily to the lack of conditions favorable to organization among the broader strata of wage-workers. A more or less permanent class stratification within the social structure, and common language and traditions, are essential to the development of a homogeneous trade-union movement. Until very recently, however, such conditions have been practically non-existent in the United States.

The American workers have not been compelled on the whole to think of their economic problems in a truly fundamental fashion. The old-time "unlimited opportunities" have not yet been fully exhausted. To say that American trade-union organization is "backward" is therefore only a half truth, despite the fact that over 80% of the workers are still unorganized. Any comparison with European trade unionism is irrelevant. The standard of life has been higher in the United States; the urge of want, which induces organization, has been lacking, at least in so far as the bulk of American labor is concerned. This state of affairs can not be expected to continue long—not with intensified international competition and expanding national monopoly. Wages can not remain at their relatively high standard; and the ever-increasing cost of living will cause restlessness. As the class lines become more sharply drawn and the American workers become aware of their growing helplessness, they will devise the necessary means of articulation and defense. The perfected methods with which the employers hope to stave off the inevitable showdown—welfare work, insurance, housing schemes, and profit-sharing—have only been tried in fair weather; economic storms are likely to prove their undoing. With conditions growing favorable to labor organization, the real American labor movement is about to emerge.

Company-unions are condemned as harmful to the growth and furtherance of trade unionism. Still, regardless of the anti-union outlook of their designers and promoters, company unionism may serve a useful purpose in the formative period of the coming labor movement. If anything, it bears out the contention that industrial formation makes a greater appeal to the workers than craft unionism. The company-union idea predicates itself upon the fact,

recognized and utilized by the employers, that workers prefer to organize along the lines of their employment as shop or factory groups irrespective of craft or skill, rather than to be scattered over various craft groupings. Any broadening of the trade-union movement along industrial lines will prove this device of the employers to be a boomerang, for these company unions are embryo shop units for future industrial unions. They further the idea of having workers' organizations on the job. The costly experience gained by many active and sincere workers, who now see things in very much the way described in the foregoing paragraphs, supplies the force heretofore lacking with which to organize the unorganized. The shop and factory workers, in fact the less skilled in all basic industries, have again become restive after their four or five years of apathy, during which time, despite the tremendous margin of profit and the much-vaunted prosperity of all American industries, the gains of the war period have one by one been taken away from them.

It would be the better part of wisdom if the radicals and progressives who wish to see a real trade-union movement develop in America would let the A. F. of L. follow its own course, and, rather than engage in fruitless criticism or waste energy on hopeless boring from within, direct their attention to activities among the shop and factory workers in basic industries. These number well over eight millions and provide ample scope for constructive work. Activity must perforce be carried on within the A. F. of L. framework. A real movement would soon begin to shape itself, however, if available forces were effectively utilized. Large numbers of members, if not whole unions of the A. F. of L., would either find their place in the newer development, or the A. F. of L. would be compelled to find a place for the new industrial formations and recognize them. The majority of the skilled craftsmen who are eligible to membership in A. F. of L. unions, but either are barred by closed charters or refuse to join, would probably become the vanguard of the newer movement. The A. F. of L., too, would be compelled to adapt itself to the requirements of the day if it would remain among the living.

As yet no systematic and determined effort has been made to organize the less skilled on a national scale. This is the crux of the American trade-union problem.

Joseph E. Kucher.

CHAPTER XXVIII

LABOR INSTITUTIONALISM: BANKING

"Labor institutionalism" is a general term which may be conveniently used to describe those non-bargaining welfare activities of unions which compete with commercial enterprises offering similar services. Specifically the term includes labor banking, insurance of union members against sickness, accident, death, or old age, and savings and building and loan funds. Of these union activities, labor banking is the most spectacular at the present time, and hence this discussion will largely be confined to this phase of labor institutionalism. It is not intended that comments hereinafter made should be construed to apply specifically to any one of these institutions. The purpose of this discussion is to center attention on certain general and theoretical considerations involved, specifically in the labor banking movement, as they appear to the writer.

Opinions of the place of labor banking in the labor movement vary widely. One commentator says: "The labor banks seek on the one hand, to use the money given into their care to provide steady employment, under decent conditions, at fair money wages for the workers, and on the other to increase the purchasing power of money wages by requiring maximum production and efficient distribution at reasonable margins of profit by those to whom credits are extended." Thus "the influence of these policies upon general living and working conditions will be multiplied as the labor banks increase in numbers and resources, and enterprises financed with their funds come into increasing competition with those following the restrictive formula of profit-making." [1] Probably the pinnacle of this belief is reached in the enthusiastic statement that workers must and can within a decade obtain control of the financial government of industry by getting control of credit.

On the other hand, some people with perhaps soberer judgment

[1] Richard Boeckel, *Labor's Money*. Harcourt, Brace and Company, 1923, pp. 129–130.

say: "The movement does not look to the 'overthrow of capitalism.' All that can reasonably be done is to provide safe and convenient repositories for large union funds and individual savings and to temper extreme anti-union policies by pressing the claims of labor investors."

Dissenting from both these opinions is the class-conscious, militant worker who wants to kick the capitalists out the back door and who believes that any compromise is a "sell-out." To such workers real unions are fighting, striking organizations which will be demoralized by labor banks.

Admittedly the attitudes toward labor banking reflect the attitudes toward economic processes and institutions generally. The social reformer supports labor banking because he sees in it a means to a social millennium of coöperation. The social revolutionist opposes labor banking because he sees it as an obstacle to the one-class millennium for which he is fighting. The extremely militant unionist is against labor banking because he feels it will sap the vitality of the union as a striking organization. The business unionist, however, favors labor banking because he sees in it an opportunity to strengthen his hand in driving better bargains with employers. Apparently we cannot divorce labor banking from the particular "ism" of the one who expresses an opinion.

Neither can we separate labor banks from unionism, for they grew out of the economic position in which certain unions found themselves after the War. Many strong craft unions, although they built up strength on a policy of militancy, have swung away from these tactics to bargaining and trade agreements. Business unionism of this type is characterized by large reserves of strike funds, a disciplined membership, and businesslike methods of administration that are not unlike those of ordinary business corporations. As direct action gives way to indirect action, the investment of accumulated strike and benefit funds becomes an important problem, and a problem to be dealt with in a businesslike way so as to further the interests of union members. Obviously the business man's reaction to such a problem would be to invest those funds in banks or other enterprises that were convenient, safe, and not prejudicial to his economic interests. This was, indeed, the original impulse that started the labor banking movement. It illustrates how the relations of labor banks to union financing and tactics are interwoven.

1. What the Labor Bank Is Expected to Do

But labor banks, despite their origin, are not exact copies of commercial banks. One outstanding difference is the coöperative principle. The charters of labor banks limit dividends and provide for the return to depositors of excess earnings after dividend and surplus requirements are met. Along with this coöperative feature is the practice of paying a higher rate of interest on deposits even before excess earnings are declared. Another outstanding difference is the enlarged service frequently offered to depositor-customers in the form of mail deposits and "insured savings." The Amalgamated Bank of New York also arranges for "dollar remittance" service to Russia. Still another difference is in loan policies. In extending credit to employers, labor banks generally discriminate in favor of employers who are known as "fair" to organized labor, and discriminate against "anti-union" employers or speculative enterprises. In granting credit to individual workers, considerable use is made of so-called "honor loans," i.e. loans without collateral security. Frequently, too, such loans are at lower rates of interest than those charged by other types of loan agencies. Furthermore, labor bankers encourage workers to borrow rather than to buy on the installment plan.

These policies, and others that might be mentioned, rest fundamentally, however, on a difference in clientele. Primarily the labor banks seek wage-earners for depositors, although others are not scorned. This predominance of wage-earning customers colors all the banks' policies, and may be a source of strength as well as of weakness. After all, the majority of the clients are union men, and they are naturally very much interested in what the bank will do for them as union workers, not alone as depositors.

What the union by itself does for them is fairly clear. Organization betters their conditions of work, assures them larger earnings, and protects their jobs from the arbitrary actions of employers. In economic terms, the union gives them greater "pulling power" in sharing the national income and thereby gives them opportunity for a higher standard of living. In this way, the union protects the consumer interests of its members primarily by protecting first their interests as producers.

This is not the whole story of a union's service to its members. Larger earnings cannot be built into higher standards of living

unless these earnings are also protected from losses through such risks as sickness, accident, unemployment. These are unavoidable risks in a worker's life. They have to be faced and the burdens met largely out of the worker's own savings. Thus they cut into the earnings available for a new car, a new suit of clothes, a radio, or the children's school expenses. In so far as a union, through mutual benefit funds, relieves its members from the full impact of these losses, it contributes indirectly to higher living standards. Its primary task remains, however, the protection of workers' interests as producers; only secondarily is its task that of mutualizing and thus reducing somewhat the risk burdens that go with the job and threaten the consumer interests of workers.

This interpretation of what unions are trying to do for their members is the economic basis not only of unionism *per se*, but of labor banks, insurance funds, etc., as well, since the two types of activities are practically inseparable. So, when a worker asks, "What may I expect these labor banks to do for me as a producer and consumer?" the economist's answer is likely to be in terms of labor's income, its size and its security. If labor banks will increase only the *security* of labor's income, by offering a safe place to store up savings, they will help the worker as a consumer; but they will not help him appreciably as a producer. On the other hand, if labor banks set out to increase the *size* of labor's income, by using credit power to protect union wage scales and shop rules, they will be acting on behalf of labor's interests as producers. This is the twofold basis of labor institutionalism and trade unionism alike.

2. Strikes, Bargaining, and Labor Banking

Can the labor banks safely tackle both jobs? May the workers expect labor banks to increase the amount of their income without lessening its security? It is clear that labor banks can give good service to depositors by adhering strictly to coöperative principles. They have been able to pay comparatively high rates of interest on deposits besides distributing excess earnings. By these and other services to depositors labor banks tend to make workers' incomes more secure.

One of the paradoxes of banking, however, is the fact that efficient service to creditors (depositors) hinges largely on efficient service to debtors (borrowers). If unwise loans are made, the

protection of depositors is impossible. This, apparently, is what puts fear in the minds of those who believe unions are, always have been, and always will be, solely striking organizations. Suppose, they say, the safety of the small deposits of individual savers depends on keeping the union's strike funds in the bank. In such a case will the union leader, who is also a labor banker, be disposed to draw out strike funds to fight employers? To do so might break the bank and ruin the savings of individual union men; not to do so might mean reduced wage scales, loss of earnings, jobs, or shop rules. "There's the rub!" Which is more important, the interests of workers as consumers, i.e. savers, or the interests of workers as producers?

Several answers to this line of argument might be made by a loyal locomotive engineer: "Strikes don't benefit labor in the long run nearly as much as skillful bargaining. Strikes cost money; bargaining saves a heap of money. So there wouldn't be much call for drawing out strike funds from the bank, if the union leaders were good bargainers and wise. Even if we did have to use strike fund deposits, we've built up interbank relationships so that in time of stress we can use some of the assets of other banks. That's only what any banker does in an emergency. Moreover our bank does not depend solely on the strike funds or individual deposits of any one union. What's more, 'big stick' methods and 'strike talk' are out of date. Bargaining is done differently now. Our funds are invested not only in banks, but also in investment companies. We have our own investment mergers. We cover our risks by putting our money into a variety of enterprises.[1] All this makes a new type of bargaining possible and effective. Our banker meets an employer who is inclined to fight labor. He meets him, as a fellow member, at the bankers' club. They sit down after a mellowing meal together and talk things over with the help of cigars. Our banker may say that the people he represents, who own a considerable block of this employer's securities, don't like the reports they hear about the way labor's being treated by this employer. In fact, a number of this bank's clients have asked

[1] This was written before the recent difficulties of the locomotive engineers' investment enterprises became publicly known. In the absence of authoritative information no judgment can be given on the soundness of these enterprises at the present time. From published reports it appears that the engineers' banks are not adversely affected, as the assessment on the union membership seems to give ample security.

about changing to some other investments. 'You wouldn't want that to happen, would you?'. . . And the matter is fixed up," the engineer might conclude.

Here we have the pro and con attitudes toward what is probably the main issue in labor banking, namely, how labor banks can safely serve two masters, consumer-depositors and producer-depositors, when the interests of workers as producers and consumers are at loggerheads in banking.

It is undeniable that the accumulated savings of workers aggregate a considerable sum. The building and loan associations, with their assets of over $4,000,000,000, although a middle-class institution, are an indication. It is also true, as has been said, that by careful coöperative management higher interest rates can be paid regularly on these savings than in the case of unlimited profit-taking banks. Furthermore, the investment of savings in an expertly managed labor bank is much safer than investment in some "get-rich-quick" speculative venture to which in the past many workers have entrusted their savings only to reap sorrow in the end. Much good can be done in teaching workers how to use a bank and how to invest savings.

But there are some big if's in these statements. When these are considered, such visonary claims as "labor can buy out capital and dictate how business shall be run" begin to look suspiciously like mere daydreams. Can all the savings of wage-earners be mobilized? Probably there will always be some doubting Thomases who hold out. If only union workers can be persuaded to invest their savings, will the accumulation be large enough to attract much attention or do much good in setting a good example to commercial banks? Can labor banks offer as attractive inducements to savers as do corporations which, as part of their labor policies, solicit employee savings and often earn more than 10% for them? Assuming that labor's savings can be mobilized, will this credit power come anywhere near matching that due to corporate savings?

These questions are collateral to the main one, namely, whether the workers will feel that their savings are perfectly secure. Here we have the biggest question-mark in labor banking, loan policies. For clearly the security of depositors is in the hands of those who control the issuance of credit. In this connection it is important to remember that most labor banks have hired experienced bankers

as managers and that they are subject to State or Federal banking laws.

It is conceivable, however, that, despite the trend away from direct action, a fundamental issue might arise calling for the use of the strike weapon. If and when such a strike should occur, the bank's position might well be a determining factor. The union, as a depositor, will doubtless call for its strike funds. But strike funds are rarely, if ever, large enough to support a workless family. Probably individual depositors will be obliged to draw on savings, especially if the strike is a large and prolonged conflict. Will the bank's assets be liquid enough to stand this drain? That depends on the distribution of assets, and the possibilities of borrowing from other banks or loan agencies. Labor banks incorporated as national institutions will no doubt be safer than State banks in this emergency. Also, labor banks which are not one-union affairs may be able to borrow or to liquidate assets. Even commercial banks recognize that a loyal, disciplined, dues-paying union membership may be good backing for a loan. Still, in the case of credits extended by labor banks a great deal depends on the business sagacity of the loan officials.

3. Loan Policies and Union Policies

It is axiomatic that all bankers discriminate to some extent in making loans. The settled policy of labor bankers seems to be to discriminate in favor of "fair employers," and fair employers are defined as those who pay union wage scales and agree to union rules. But union standards are no guarantee against bankruptcy.

Picture two contrasting situations. Here are two employers, both seeking loans from a union banker. Both employers are dealing with union labor, but one of them, who happens to be a good banking risk, has lapsed frequently in his union relations. The other employer, though more faithful to agreements, is a poor banking risk. Which one gets the loan, or do both get it? If both are accommodated, depositors' money is risked unjustifiably in one case. If only one loan is given, strict application of the principle of discriminating in favor of "fair" employers would require that the bank take on the poor risk. And if this principle is not strictly applied, where is the inducement to deal continuously and fairly with union labor?

The illustration is perhaps a borderline case. It was deliberately

chosen to bring into view the possible, perhaps frequently possible, conflict between union policies and banking policies. Suppose we reverse the illustration and consider the ordinary commercial banker facing a choice between lending to a friend and to a stranger. The stranger may be a gilt-edged bank risk and a violent anti-union employer, but will he have an equal chance with the banker's friend, who might be friendly to labor but has less security for the loan?

The two illustrations are not intended as a catechism but only to point the issue between friendly sentiment and dollars and cents. Friendly feelings do enter; they can hardly be avoided. Are they more likely to dominate the judgment of a labor banker than that of a commercial banker? I wonder if the answer will be in the affirmative. This is particularly dangerous when union leaders remain blind to the fact that restrictive unionism is prone to choke itself, especially in highly competitive industries with an elastic demand for products.

At this point the relation between poor banking risks and "frozen assets" comes to mind. Frozen assets have ruined many banks and depositors. We have only to examine the record of bank failures since 1921. Moreover, frozen assets are a particular danger when banking operations are on small margins relative to probable heavy demands from depositors. In this connection it is worth recalling that most labor banks were started at a time when business conditions favored new banking enterprises. But hard times are coming, some observers say, perhaps this year or next, if present inflationary tendencies continue. Are labor bankers wise enough to avoid this pitfall?

Another angle of credit policies deserves consideration. Wage standards and shop rules differ between unions. What one union regards as fair treatment by an employer, to another union may be grossly unfair. A flagrant and ironic example is the Coal River Collieries dispute between the mine workers and locomotive engineers. If the investments of locomotive engineers are endangered by union rivalries and petty differences, the cautious investor may be disposed to inquire about safeguards against similar embarrassments in the future.

In a supposedly competitive era the effect of competition with labor banks is worth at least passing mention. I do not mean the competition of other banks so much as the competition of "welfare

capitalism," particularly where the employer competes with persuasive union organizers for the loyalties of a working force. During the past few years a great many employers, who practice what has been called the "good-will theory of labor relations," have offered inducements to their employees in the form of savings and thrift funds; old-age pensions; life, sickness, and accident insurance (the last-named being over and above that required by law); stock investment at par on the installment payment plan; and building and loan associations. In many cases these inducements have been very attractive financially, since the employer may contribute all or a considerable part of the cost. Can labor-union banks and insurance companies, having to bear the entire cost, meet these inducements? Of course the psychological satisfaction of managing or controlling one's own investments is immeasurable in pecuniary terms, although employers have met this need more or less successfully with employees' benefit associations. Nevertheless the competition of "welfare capitalism" is very real and serious; the employers are in a financially superior position to offer these inducements. If the competition becomes especially severe, it will not be inappropriate to consider what effects this will have on unions and labor banks.

4. Borderlines and Safety Zones

As these dangers become imminent or real, it might well be better policy for unions to play safe and stick to the orthodox methods of bargaining. Otherwise, in trying to avoid these perils unions may depart from sound aims. Grant that it is futile to dream of buying out the capitalist's interests; yet it may be possible for labor bankers to buy their way into a favorable bargaining position by use of labor's mobilized credit power. Perhaps this method of personal adjustment of disputes will in the long run cost the wage-earning producers less than do strikes. Much depends on the tact, skill, and subtlety of the banker-negotiator. But if these tactics are adopted, union members as depositors may logically demand that the strike be given up. Otherwise, their interests might be in danger of double jeopardy, namely inadequately secured savings and compromise surrenders of union standards. In other words, to mix strikes with credit control as bargaining weapons might easily be a boomerang in clumsy hands.

A small step forward on a safe footing is better in the long run

than a long step forward followed by a precipitous retreat. By this standard, labor banking is an experiment worth trying, *but only* if its economic limitations are clearly recognized in thought and action—only, in other words, if it is steadfastly looked on merely as a modification, *not* as a new weapon which will sweep aside all obstacles. One might even lay down a general principle: As unions lay aside the strike and other forms of direct action, they prepare themselves, psychologically and economically, to undertake labor banking and other types of labor institutionalism.

What, then, is the safe province of labor banking—indeed, of labor institutionalism in general? If the above analysis is logical economic reasoning, unions should be extremely cautious in using labor banks as a direct aid to bargaining. By following tried banking practices, labor banks can do a great deal toward securing labor's income and savings from the collateral risks of the working life. The coöperative credit principle is sound when applied to consumers' interests and when accompanied by conservative and expert management, and it may yield higher returns on labor's savings. Conservative management means spreading assets, avoiding frozen assets, refusing large strike fund deposits if they are likely to be used for direct action, and strict adherence to banking principles in credit loans. As a counter-offensive to welfare capitalism, labor banks seem destined to accomplish little directly. Indirectly, labor banking and labor insurance, too, may induce a pride in union accomplishments that will tend to stabilize the membership when tempted by pecuniary advantages offered by good-will employers.

Labor banking is on the frontier. Sometimes one is tempted to think that the frontier is the borderline between the so-called working and middle classes. Undoubtedly the frontier is one of union tactics, based on a policy of coöperation with, rather than of permanent hostility toward, employers. As long as workers' interests as producers and consumers, or as union men and depositors, tend to pull in opposite directions, union members should consider carefully the dangers to labor banks from strikes, unliquid assets, one-union support, unbusinesslike management, before starting new ventures of the kind.

E. W. Morehouse.

CHAPTER XXIX

LABOR'S NEW ECONOMIC POLICY

Perhaps the most impressive change in the American labor movement since the War consists in the new emphasis on production. The old rough-and-ready trade unionism battled over the division of the product, whereas the new, suave, discreet unionism talks the language of the efficiency engineer and busies itself about ways and means of increasing output. Not merely in the counsels of the railroad unions, but in the deliverances of such diverse groups as the textile workers and the electrical workers, and indeed in the official pronouncements of the American Federation of Labor both under Mr. Gompers and under Mr. Green, the new note is outstanding; so much so that many are tempted to wonder whether a new era of industrial peace may not be possible. If efficiency is raised to a high enough pitch, it may seem childish to split hairs over precise division of the product; or perhaps the experience of teamwork in production will make capital and labor so fraternal that they will come to have a common psychology, a common morale, a common principle of equity, so that differences may be settled in a man-to-man fashion without pressure or threat of force!

Observant economists might be tempted to believe that union labor has learned the lesson of the "long run." Against the workers' natural tendency to go slow lest they work themselves out of a job, academicians have always insisted that while improved efficiency might for the moment displace a group of workers and cause them regrettable hardship, still it was wise to welcome new efficiencies inasmuch as these would shortly cheapen the product and enlarge sales so much that "in the long run" more people would be employed than before, and under better conditions. Most workers seemed to feel that for people living in the short run, questions of ultimate outcome were not of the highest significance. At any rate, they remained cold to the idea of efficiency, and even if leaders ambitious to be regarded as economists did pay lip-service to the scholastic theory, they did very little to

procure its studious practice by the rank and file. Only a few years ago, any one who pushed the gospel of efficiency would have been forthwith set down as an enemy of labor.

Even now it can hardly be supposed that the new enlightenment is a result of wider insight into abstract economic theory, or even of wider acquaintance with statistical measures of production and distribution, though these have their lessons for such as will give ear. The annual product of American industry has never been more than enough to provide the whole population with a decent living, even if everything had been divided on a basis of complete equality. The figures of current production do indeed indicate that the problem of scarcity is much nearer solution than it was only a few years ago; but even at a national income of ninety billions a year, the average per capita income would be only about $750, or $3750 for a family of five. Of this amount, a considerable fraction would have to be reinvested, so that the family budget for five people might be $3200 a year on the basis of equal distribution. Evidently, however, even with the sharpest labor struggle, it would be a long time before anything like equality could be thought of. So it would be reasonable for canny leaders to wonder whether more might not be gained from a heightening of current productivity, even if fractional shares in distribution remained in the old proportion, than from conflicts over wage demands on the old level of productivity. Furthermore engineers' estimates of existing wastes have made it seem that the output of industry might, with a little effort, be doubled or trebled, so that if wages remained the same percentage of the total they would nevertheless be greatly magnified.

1. The Anomaly of Overproduction

It is hardly to be presumed, however, that such a logical argument accounts for the new labor policy. For are not the chiefs of the business world fully aware that almost every industry already can turn out more than can under existing conditions be sold? If their own observation had not taught them this fact, the sweeping warnings of the Secretary of Labor were sufficient offset to the pæans chanted by the Secretary of Commerce in behalf of efficiency. Labor leaders could hardly fail to be impressed by the figures emanating from Secretary Davis to prove the overdevelopment and overcapacity of virtually all significant lines of

industry—such overdevelopment that it was necessary for the harassed Secretary to point to new lines of industry to employ the surplus workers, though what those new lines are to be hardly appears.

Mere logic would, thus, bring us out at the contradictory propositions that industry is too inefficient and at the same time too efficient: too inefficient, that is, to supply our wants while at the same time providing adequate profits; and too efficient to give us enough work while at the same time providing adequate profits. Such a tangle of elements is hardly of itself sufficient to reverse the traditional behavior of pure and simple unionism.

Under such circumstances, labor is forced to make the best of a bad bargain. Not having laid in the past the foundations of a coherent and aggressive unionism; not having maintained a self-respecting labor position during the war period; not having maintained official connection with the world trade-union movement; not having developed any statesmanlike policy for organizing the unorganized or for consolidating the existing movement, what was left but for organized labor to go along with triumphant American capitalism in its conquest of the world? Better be a side-partner to American business in its march toward the enslavement of the world than to take poor chances in a battle with the employers on outworn craft-union lines, which were the only lines on which the existing organizations could seriously think of moving! Not that any one thought all these things out, but such was the logic of events. Not being revolutionary, the American labor movement had to be capitalistic. It had to hope for the crumbs that might fall from the rich man's table.

To be sure, the American Federation of Labor makes seemly gestures in behalf of Mexico and China as against the more overt acts of American imperialism, but on the other hand, the words of President Green make it perfectly clear that he does not expect that the American Federation of Labor shall be a labor movement. It suffices that it should be a business movement selling labor power as if it were selling potatoes. Handling the commodity labor does not make a labor movement. A labor movement is one that challenges the capitalist system in its foundations. The American labor leaders are not disposed to any such venture.

2. Engineering as Collective Bargaining: The B. & O. Plan

Thus it is not strange that representatives of some unions have embarked on the program of union-management coöperation, the philosophy of which has been expressed by Gompers and others as amounting to focussing (on the task of production) what would otherwise be the scattered and incoherent efforts of individuals. In other words, the union becomes a labor engineer and delivers an integrated and guaranteed labor supply; all this on the assumption that the union is recognized and that the management undertakes to deal fairly.

Advocates of this "B. & O. Plan" (so called because first paraded as an achievement of the B. & O. shops) justify it as a normal extension of collective bargaining. They even imply that the scheme represents a longing by the workers to offer the highest craftsmanship and that its adoption advances the march of labor. They even hint that possibly the management may be won away from allegiance to absentee investors, and brought to identify their interests with the interests of labor, at least to the extent of establishing a matter-of-course partnership in the immediate phases of industrial operation.

There is a certain plausibility in all these claims. The B. & O. Plan is, on the face of it, a case in collective bargaining. Regularly chosen representatives of the unions meet with representatives of the management and pool ideas about shop operation. This very statement of the case, however, accentuates the difference between new industrial devices and the old negative policies, according to which labor washed its hands of responsibility for efficient conduct of the works and confined its attention to the protection of its own immediate interests. Thus while the union-management coöperation scheme may be carried on under the forms of collective bargaining, it is so new in its implications as to be a departure from, rather than a continuation of, old policies. This break can hardly be concealed by the allegation that it was the blindness of management that delayed positive coöperation, and that now with the development of a more open-eyed management, labor is reaching its heart's desire.

There is, to be sure, a surface possibility of winning management to the side of labor against the shadowy claims of absentee investors. So far as the managers are technical experts, whether of the

engineering or of the business variety, they presumably have a craftsmanlike interest in doing things rather than in mere acceptance of dividends. Engineers, in particular, have cause to resent interference with their professional standards in the name of profits. Many bonds unite them with the other craftsmen whose help is essential to a creditable job. Moreover, engineers are so numerous that often they are in the same wage class as the skilled worker, if not down even to the level of the unskilled, and this might be expected to affect their affiliations. With technical skill proletarianized, unionization of the rank and file of engineers should be easy; it has begun, indeed, among municipal engineers in some of our great cities. Properly conducted, the B. & O. scheme may even contribute in this direction by giving the technicians a better understanding of labor and a greater disposition to associate themselves with its aims. If, however, such results ensue, they will be too gradual and scattering to justify the experiments in themselves.

Winning the business experts is a contingency too remote for much attention. But executives of national services may adopt an amicable attitude toward organized labor. For instance, on the Canadian National Railways, the management must depend on the political strength of labor to protect the experiment in nationalization against interests that strive to discredit national ownership. Such a special situation of strategic advantage suggests new possibilities for union-management coöperation under public ownership related to the contemplated workers' control of nationalized coal in the United States, or of the railways according to the Plumb Plan. Opponents of the B. & O. Plan should consider whether their objections might not fade or vanish in nationalized industries.

On the strength, however, of the vogue of company unions, it is not infrequently affirmed that the B. & O. Plan is no better than a company union. The B. & O. Plan, this opinion holds, would never have been taken up by a powerful union, but represents the desperate resort of a dwindling organization—an organization so weak that the bosses did not need to fear it; so that some of the shrewder ones were willing to take it on as a simpler and sounder way of getting the results desired under company unionism. They maintain that the management of the B. & O. railroad, for instance, could well afford to recognize a beaten organization

if allowed to exploit the hold it still had over men in the industry. Thus the union's acceptance of the scheme might be interpreted as a surrender to capitalism, an abandonment of the labor struggle, and a deliberate adoption of "class collaboration."

3. The Term "Class Collaboration" Misapplied

Those that use this now hackneyed term, however, do not necessarily attribute to the officialdom of the coöperating unions any willful betrayal of labor's cause. They may indeed be charged with having pursued so feeble and futile a policy of craft separatism and respectable inactivity for so long that they were finally unable to do anything positive in the whole situation and found themselves forced to take up some such measure as the B. & O. Plan as an alternative to full collapse. But not even this modified indictment is a necessary part of the argument against "class collaboration." Some would even assert that it is not a question of the motives of officialdom or of their past policies, but merely a question of estimated tendencies for the future. Thus if it would appear that the normal effect of the union-management coöperation plan would be to reduce the labor struggle and to bring labor into harmony with capital, the scheme would have to be fought to the limit by those who pin their hopes for labor's future on the spirited continuance of the class war.

What, then, does the actual tendency seem to be? Will the coöperation scheme take the edge off the class struggle and put the workers in the position of minor partners in the capitalist system, dependent on the business shrewdness and the consequent "good graces" of the employing interests, or does the plan tend rather to open up new areas of conflict previously shrouded in mist and fog?

As argument in the direction of the first alternative is to be recalled the tendency of American labor in its official capacity to fall back on patriotism, civic virtue, and serviceability in production. There can be no doubt, indeed, that the American Federation of Labor is striving desperately to prove its devotion to the capitalist system and to gain in that way whatever prestige and influence may be possible along such a line. This policy is not necessarily willful treason to the labor cause. It may be merely the final step in a career of incompetence and futility. But the question is not so much one of intentions as of tendencies.

Much can be said for the policy of accommodation to capitalism. American capitalism as master of the world can easily afford to hand out a continual stream of material benefits to a narrow labor aristocracy that will second its program. It might even do a good deal for unorganized labor so that social solidarity might be maintained in the face of an unfriendly foreign world. Thus conceivably American labor's greatest material gain for decades to come would be the tangible benefits handed out as the price of loyalty. A minimum of actual organization, a minimum of ability to stir and mutter occasionally, might be for the moment a sufficient guarantee, not of labor's dignity and power, but of a modicum of animal welfare, with sufficient honor and parade for a servile leadership. If, therefore, American labor is purely sordid and selfish, its wisest course may be to leave the workers of the rest of the world in the lurch, to refrain from joining the labor international, to accept national "honor and sovereignty" as an excuse for high-handed dealings abroad, and to settle comfortably back into the position of an obsequious pensioner of American capitalism. In that case we may expect to see the B. & O. Plan perverted into the subtlest kind of scientific management, so that it will be a reactionary prop in the edifice of capitalism. If such is the normal effect of union-management coöperation, the scheme must be fought to the limit by those who pin their hopes for labor's future on the spirited continuance of the class war. But can we expect such an outcome? Already the B. & O. Plan has lost its first romantic halos. It does, to be sure, have undoubted possibilities of improving efficiency. It seems capable of giving better working conditions and more regular work to a certain group of workers. When it has had further time it may even give definite wage increases. For some of the participants there is also a certain stimulation in running the scheme. However, the natural tendency apparently is to raise more points of possible conflict. So long as most of the field of industrial relations is left in the twilight zone, unsurveyed, uncharted, it is not likely to be the source of very pointed, clear-cut struggle. When, however, the union and the management get together and bring the whole field out of the dark, survey and plot it and make it the subject of detailed negotiation, innumerable battle points probably will obtrude and burst into open conflict—unless a smug leadership can permanently keep the rank and file content with serviceable

servility. Even now the leaders would agree that the plan will not deliver fruits to an unorganized group or to a group ineffectively organized. Mere increase of productivity has no magic to make the gains drop into the hats of the workers. Therefore, the normal pressure exercised by a rank and file in behalf of measurable gains probably will not allow sheer surrender. There will still be a labor movement with more and more points over which to bargain and if need be to fight.

4. Wider Implications and Limitations

Thus the B. & O. Plan cannot be dismissed as mere "class collaboration." Whatever may be the servility, sluggishness, blindness, and futility of leaders, the advance of labor inevitably opens a widening range of issues. The movement does not stop on hours, on wages, on job tenure, on conditions of the shop. It inevitably proceeds to canvass and master the entire industrial process. Labor has learned, for example, that it is senseless to fight the machine and that the only sane thing is to bargain over the conditions on which it may be introduced. The textile workers are even agitating for the introduction of improved machinery. In other instances, the wage demands of the workers will force the introduction of improved machinery. Likewise with scientific management. Every thoughtful worker knows that there is no use in resisting its adoption, and that the only recourse is to insist that the management be really scientific, not in a narrow mechanical, but in a broadly human, sense. The demands of labor may even drive the employer to introduce improved management to prevent cutting into profits. Labor might even insist on the introduction of improved methods of operation, supervise the installation of the new system, and regulate its operation. Common sense would therefore suggest that opposition to the union-management coöperation plan should not be hinged on the fact that the plan commits the union to scientific management. The issue comes back to the structure and personnel of the unions involved. If they are narrow and exclusive and hence unable to meet the new conditions of fading craftsmanship, if the membership is shortsighted and selfish and unwilling to make common cause with labor as a whole, if officialdom is more disposed to falter than to fight, there may be certain definite things to do. But it appears that the menace of class collaboration resides not in the B. & O.

Plan as such but in the possible shortcomings of the organization carrying out the plan. Once collective bargaining gets going, there can be no limit to the ground it will strive to cover, and the task of the radicals is not to hold it back but to insist at every point on labor's claims.

What that maximum insistence will amount to in the hands of an aggressive leadership depends on what stage of effectiveness the industrial process has reached. Improved wages and other labor gains can come only out of the product of industry. There is not much room to improve labor's status merely by getting something away from the receivers of rent, interest, and profit. Their total income evenly divided among all the workers would not meet labor's legitimate demands. The solution is in increase of output, and headway toward this end can still be made under the capitalist system. In view, however, of the difficulty in marketing the present output at a profit, and in view of the continual increase of the machinery of production through new investment, there are serious doubts whether the capitalist system is not caught in an insoluble tangle. If the business system is not able to handle the existing product of the industrial system, what incentive is there for the workers in general to increase production?

Whatever a union may do for efficiency must be regarded as a very limited and partial approach to the whole problem of scarcity. Moreover, even if the labor movement should pool its energies for increased production, the gains would not be great unless something very decided happened to the business system to enable it to take care of the enlarged output. If labor could make good its new wage policy and force a wage increase in proportion to increased output, the market glut might not get worse than it is now, but the problem of correlating production and consumption would be no nearer solution. Labor will confront sooner or later the job of eliminating the profit element and assuming control of the process of providing for all human needs.

ARTHUR W. CALHOUN.

CHAPTER XXX

LABOR IN A CONSTITUTIONALIZED INDUSTRY

As a Labor Manager Sees It

The present situation in the clothing industry can be understood only as the logical and almost inevitable result of past conditions. The system of distributing work to small, weak contractors, in this as in the building industry, led to strong unionization of the workers as the only means of protecting individuals against the hard-pressed contractor. The responsible manufacturer of clothing, even after contracting is replaced by the "inside shop," usually fails to place his industrial relations on a just and orderly basis; hence, the need for "constitutions," i.e. rules and regulations, to govern the wage contract, as an alternative to incessant bickerings, stoppages of work, and strikes incident to lawless conditions.

Most people think of the law as a policeman or court which forbids one to do as one wishes and which punishes disobedience. It requires much experience and imagination to think of the law as a protector of one's rights and as a guardian against predatory neighbors. It irks the employer to realize that it is the law which prevents him from reducing costs when non-union competitors seem to have a free hand to cut wages or lengthen hours, just as it irks the workers to give up "direct action" when the boss might easily be coerced by a timely strike.

People in the clothing industry are perhaps even more human than ordinary folks; they are prone to forget the benefits of government or to take them for the natural condition and to chafe under the restraints of the law. Constant education is necessary to correct this weakness of human nature.

As matters have stood for a number of years, each side, the union and the management, can afford to make very great efforts to preserve industrial peace; on both sides there is much to lose and little to gain by warfare. Therefore, it is worth while to make labor policy and administration a function equal in importance to any other in management. It follows, then, that somebody in

the management must specialize in this function so that his whole attitude of mind is adjusted to the realities of the situation at all times and free from the natural and inevitable prejudices and "mind-sets" of the sales, financial, and production managers. The labor manager, in addition to knowing the needs of the business, must understand the minds of the employees sympathetically and must be in a position to influence policy decisively in all issues where peace is in any way threatened.

Of necessity, management must make ceaseless efforts to force costs down and service and quality up in order to demonstrate its competence. Managerial efficiency is generally believed to be essential to prosperity and human welfare, so that competence appears as a social duty as well as an individual opportunity.

This formula of efficiency may become dangerous in single-track minds whose natural inclination, when confronted by obstacles and difficulties, is to override them by force. Violence begets violence and frequently multiplies instead of overcoming obstacles. Tact is essential in industrial relations in order to keep the road clear for production management; thus tact is the chief characteristic of the labor manager, and his guiding principle.

When the employees become organized to the point where they are willing to give up their individual freedom of action and obey the orders of one man or a group, to accept leadership of their own choosing, it is then within their power to obstruct the management. This may amount to almost dictatorial power over the management if the coercion stops short of causing a complete cessation of operations. Since employees depend on the efficiency of management for their livelihood and since it is very difficult to coerce management without impairing the source of wages, workers often discover that arbitrary power is a sharp tool which may cut their fingers unless they are skillful in its use.

The usual industrial situation is this: both management and employees see opportunities for achieving attractive gains lying about. Business men are trained to perceive and take advantage of opportunities for profit; that is the distinctive trait of the successful business man; his professional instinct and self-respect compel him. Experience has taught him, however, that some of the juiciest opportunities are really deceptions and traps from which he should withhold his itching hand, unless he is willing to take the risk of disturbing his organization. Lacking this ex-

perience, the enthusiast for efficiency incautiously involves himself in troubles and hostilities which in the end increase instead of reducing his cost of production.

It can not be expected that everybody on both sides will be able to understand and appreciate the benefits of law and order. There are bound to be some who are permanently or on occasion irked by the restrictions and disposed to disregard the requirements of law. Unless leadership on each side is firm, insurgent movements may get started under difficult situations.

The weak point in industrial government is lack of power of enforcement. Like the League of Nations, its executive power lies not in itself, but in the parties to the agreement or treaty which created it. A Board of Arbitration can make decisions and give orders to one or both of the parties; if the orders are ignored, the board can do nothing but declare the government ended and both parties free from obligations.

Realizing this weakness, it is the chief task of the leaders of each side to maintain their own loyalty to the government and to keep each his own side in the same condition. If either leader is uncertain of his own authority or can be subjected to coercion by any of his followers, there can never be that confidence in the government which it needs in order to be most effective.

Genuine respect for and unquestioned obedience to the government represented by the board of arbitration is quite indispensable to successful administration of a constitutionalized industry. Halfway policies in this respect are likely to be more costly and ineffective than no government at all.

It is good fortune, indeed, if in one person can be found personal prestige and dignity, experience, and a knowledge of government, combined with an enthusiastic regard for scientific industrial relations. With such an arbitrator, the labor manager and union president have a fair chance to persuade their clients that, no matter how far they may resent any particular decision, it is nevertheless a profitable policy to accept the decisions. Partisans in any dispute are almost sure to take a short-sighted view, and so, even if it is reasonable, it is likely to be less wise in the long run than the judgment of the arbitrator who regards the prosperity of the government as paramount to all other interests.

Earl Dean Howard.

CHAPTER XXXI

FACTIONAL FIGHTS IN TRADE UNIONS

A View of Human Relations in the Labor Movement

1. The Fundamental Aspects of Trade Unions Leading to Factionalism

The past few years have witnessed particularly bitter internal fights in some of our most important American unions as well as in the labor movement as a whole. The International Ladies' Garment Workers, Furriers, International Association of Machinists, and United Mine Workers of America occur readily to mind. A moment's reflection will, however, suggest that we may easily exaggerate the real importance of this internal strife in the total life of the movement and also the extent to which the labor movement as compared with other social agencies is afflicted by it. An internal conflict may be a sign of life and not of decadence—may be, as some one has put it, "not a disaster but an opportunity."

An inquiry as to whether sociology and psychology in their study of social institutions and the dynamics of group life indicate any fundamental reasons why we may expect frequent and virulent factional struggles in the trade-union movement is to the point. It seems to me that they do. I venture to note three considerations which may comfort us by showing that factional disputes are "just what we may expect" and at the same time give us warning that they constitute a problem with which the movement will have to deal for a long time to come.

A. ARMY AND TOWN MEETING

In the first place the trade union seeks to combine within itself two extremely divergent types of social structure, that of an army and that of a democratic town meeting. The union is a fighting instrument and exhibits always more or less definitely a tendency to take on the characteristics of armed forces and warfare in its structure and activities. There are generals, spies, military secrets, battles, armistices, treaties, breaches of dip-

lomatic relations with the enemy, and so on. The union seeks to assert in industry and over its actual and potential membership those prerogatives of a sovereign state, the right to conscript and the right to tax.

But the trade-union army elects its own generals, elects them in many instances annually or on the eve of battle. The army votes on the declaration of war and on the terms of armistice and peace. The reports of confidential agents are made to large committees, on which not infrequently the confidential agents of the enemy occupy prominent positions.

Now this situation is bound to continue indefinitely. Whatever be the manner of the warfare, the union must wage war to gain and to maintain tolerable conditions for its membership. It must develop something of the solidarity, discipline, and capacity for swift striking that an army has. On the other hand, the state and other agencies mainly concerned with the maintenance of the status quo in industry will take good care to insist that the union must remain "a purely voluntary agency" and to deprive it of the right to use instruments of coercion such as they themselves employ.

For its own part the trade union is the means through which its members, individually and in groups, seek release from the monotony and regimentation of mechanized industry, and the opportunity for self-expression.

Looking toward the future, the union conceives itself an essential organ for carrying on industry democratically in such a way that the personalities of the workers are not obliterated in the process. Obviously, designed to meet such present needs and to fulfill such future functions, it is barred from developing in its members the unquestioning obedience, the iron discipline, the fixed routine, that characterize an army.

B. BOTH FEATURES PERMANENT

Both an army and a town meeting the union is therefore bound to remain. Imagine the conflict in the soul of a union official who must have the attitude and discharge the functions at one and the same time of both a general and a chairman of a debating society. At a crucial moment the general will call a mass meeting of his army, explain their own and the enemy's situation, lay the plan of campaign before them in detail, and seek by the arts

of the popular orator to win their assent to his program; and at the same time the chairman will step out of his proper rôle, take on the air of a general, "put over" on the meeting what he deems essential to the very existence of the organization in the crisis—and the general will know himself for a poor general and the chairman will know himself for a very undemocratic chairman, and the rank and file may curse him alternately for being a timid general and a ruthless chairman.

On their part the rank and file will always be carrying about a similar psychical conflict in their attitude toward the union. They will demand "results," whatever the means by which they are obtained, and at the same time will feel sore and balked if the union does not offer their egos a free field for assertiveness in all the directions from which they are shut off by working and living conditions in our industrial system.

The situation is truly serious. The impossible is demanded of the union and its leadership; the impossible is eagerly sought by the membership. Yet there is no solution to the dilemma. As in so many other situations with which life confronts human beings, there is no cut-and-dried answer to be found which once and for all settles the case. The solution consists in making, from time to time, adjustments which synthesize two quite incompatible functions. Nothing is further from a solution than the simple device of cutting out or ignoring one or the other of the terms. The union must remain both an army and a town meeting. It must at the same time both fight and discuss.

There is a second contradiction inherent in the very nature of a union which to my mind further helps to account for the frequency and bitterness of the internal strife with which it is torn. On the one hand the union accepts the existing order of business and industry, and then it bargains with the employer for wages, hours, and conditions of work for its membership. Thus it is a conservative force; it is itself a vested interest; it has a stake in the existing order.

On the other hand the union flatly refuses to accept the existing order and is a constant threat to it. It stands for the closed shop, but with the closed shop what has become of freedom of contract? If it really has the power, is there any reason to think that in its demands for wages—"more and more and more"—it will stop short of eliminating speculative profits altogether? Will not the

members, landless, tool-less, status-less, insist on using the union to attain status, citizenship, control in industry? From this standpoint the union is of course revolutionary.

Be it observed in passing that when we speak of the union as conservative or revolutionary, we are not speaking of what the union says about itself in its preamble or in its official proceedings. We are not speaking of a conscious philosophy, but of the actual functions performed by the union and the attitudes developed in its membership. When the National Association of Manufacturers dubs the A. F. of L. subversive and talks about unionism and Bolshevism in the same breath, it is doubtless, superficially speaking, ignorant and stupid, but in a deeper sense it may be said to fight even pure-and-simple trade unionism not because it misunderstands the situation, but because it understands the situation only too well. Many a "conservative" union acts on the proper occasion in a very revolutionary and class-conscious fashion. On the other hand the most "radical" union, provided that it functions continuously in an industry at all, will be found, under whatever camouflage, bargaining collectively in the most approved business fashion with the best of its sisters whom it denounces as yellow and counter-revolutionary. Also be it noted that when we use the term "revolutionary" we are not necessarily implying civil war, dictatorship, extraordinary tribunals, etc.

On the one hand, then, the union is a business enterprise. It buys and sells on the market. It is a job trust, an insurance society, perhaps a banking house. It must adapt its structure to this bargaining function, and it must develop in its leaders and members the attitudes implied, which are not very different from those required of the managers of any capitalistic business enterprise. On the other hand there is required the psychology of idealism, utopianism, agitation, radical criticism, social pioneering.

This dilemma also is obvious and obviously painful. There is no real escape from it. In practice the dilemma is softened temporarily in various ways. Sometimes the more idealistic functions are mostly handed over to a political labor party, while the trade union retains the more strictly business functions. Every national movement such as the A. F. of L., for example, manages to retain the affiliation of certain bodies tending in one direction and of others tending in another. The same is true within each international union to a greater or lesser extent. Thus each function

and tendency finds a degree of release without coming into too close and constant contact with its opposite. Similarly, specialization develops among the officers of a union—one becomes a business man, meets his fellow business man, the employer, and strikes a shrewd but "fair" bargain with him; another union official harangues the employees in a mass meeting held at the same time and fires them with determination eventually to eliminate the boss and "take over industry."

But withal the difficulty is softened, not eliminated. The union must be constructed with a view to two very divergent ends. Its officers must be dual personalities. Its members seek the impossible. All accordingly have "divided souls," and they seek relief from the pain of their inner conflict in frequent and bitter internal conflict with each other.

It seems plausible, by the way, that one of the reasons why these factional struggles often afflict most terribly the very unions generally regarded as the most progressive is that these unions have tried in some degree, though inadequately, to educate their members both with regard to the facts in modern industry and society and with regard to the history, functions, and problems of the labor movement. The membership in such unions is accordingly more conscious of inferior status, makes more demands on the union, and at the same time is somewhat more clearly aware of the dilemmas the union confronts. They can not therefore take things as they come, as is often the case among less sophisticated workers. To them the issue between "lefts" and "rights" seems inescapable and is deadly serious.

In the third place the workers as a group are persecuted and discriminated against. They are regarded as inferior. They are subjected to numerous limitations even in countries where there is nominal equality of opportunity. The trade union itself is always at the outset an illegal organization. In America it is still subject to all sorts of legal restrictions on its activities. In the popular mind a trade-union leader is either a Bolshevik with a bomb in his pocket or a grafter of the Brindell type. No matter how far removed he may be from either type and no matter how capable he may be, it is seldom that he occupies the same place in the public esteem that would be accorded to a business or professional man of comparable ability and carrying similar responsibility.

Now it is a commonplace of social psychology that any group

so situated—having inferior status, proscribed, persecuted, frustrated in the achievement of its aims, prevented from uniting effectively to fight its foes—will turn its energies in on itself, take out on itself the enmity and bitterness it is prevented from applying effectively to its foes, and so develop extreme and virulent forms of factionalism. This analysis has been verified repeatedly in the history of racial, national, and religious minorities; and any one who has even a passing acquaintance with the history of the labor movement can think of instances which provide additional verification.

In other words the weakness of the union's legal and social position is the cause of factionalism, not factionalism the cause of its weakness.

Because, then, the trade union must seek to develop the structure and attitudes of an army and of a discussion group, of a business enterprise and of a revolutionary movement, and because it is a proscribed and persecuted group, we must expect in the nature of the case that there will be a constant tendency for its divergent elements to break forth into factional strife.

2. What Really Causes Trouble

Very early it becomes apparent to the student that some of the supposed occasions for internal strife which bulk largest in the heated utterances of disputants are in reality of little importance. There is always, for example, in connection with trade-union strife, a tremendous amount of talk about grafting labor officials getting rich out of their jobs; also, the related charge of officials "selling out" to the boss. Another charge almost always advanced is that the union's constitution and its officials are autocratic and that the voice of the "people" does not get heard or obeyed. Again, in the situation under discussion there is usually much ado about the general social philosophy of the officership and the rationalizations of the "ins" and "outs."

These all enter into the picture, it is true, but if one turns from these negative considerations and asks what are the conditions under which the tendency toward internal strife which is always present breaks forth in extreme and devastating fashion, the answer is, I think, that these situations arise when you have a combination of the following circumstances: first, that the union fails to control fully the field in which it is operating; secondly, that the

industry concerned is passing through a period of depression; and thirdly, that the union is passing through a transition period, working out new structures and policies, quite possibly because the industry also is passing through a transition necessitating measures of adaptation on the part of the union.

A. "CONTROL" DEFINED

In the first place when we speak of a union completely controlling the industry we do not necessarily mean that 100% of the workers in that industry belong to the union. A union is in control when a substantial percentage of the workers in the industry are organized, when it is able to protect those workers from discrimination and to secure work for them under union conditions, and when it occupies strategic centers so that it can determine the level of wages, hours, and working conditions for the entire industry. Now I think it will be found that when a union thus thoroughly controls its field, it does not suffer from the more serious forms of factionalism, though there may be corrupt officers and critical rank-and-filers, an organized opposition, extremely radical members, and all that. The union is getting "results"; hence the machine justifies itself, and the members, subconsciously at least, reckon that they have too much at stake to permit the régime to be seriously disturbed.

At the other extreme one sometimes finds unions that are very small and apparently very far from controlling the industry, that are nevertheless free from serious internal strife. Occasionally something is to be set down to the credit of capable leadership.

On the other hand, there may be no fight for power simply because the union is so small and weak that no one finds it worth while to exert himself seriously in order to displace those at the head. There are other cases where appearances are deceiving, and a small union which is far from controlling a large industry may nevertheless control the supply of a certain type of skilled labor and be able to get results for it, in which case internal peace prevails because the organization, though small, does really control that portion of the field which matters for its own members. Still another type of development is encountered in the textile union field in this country. There we have a dozen or so unions which among them have only an insignificant percentage of the workers in the industry. Now things are fairly harmonious

and peaceful within each of these organizations, largely because factionalism has here expressed itself in the extreme form of separate unions. Were all these elements in a single organization, the internal struggle within that organization might be as severe as is the conflict in some of the garment-trades unions at the present time. It can also be plausibly argued that life has been a less hectic affair for both the United Garment Workers and the Amalgamated Clothing Workers during the past ten years because they have not had to live together under one roof.

B. DEPRESSION AS ACTUAL CAUSE

Even a union that does not exercise 100% control will not, however, be seriously torn with strife when its industry is booming. It would be difficult to prove that under such circumstances the officials are less corrupt or lazy, that the machinery of the union is less autocratic, that it is more idealistic or class-conscious. When depression comes, as with the garment workers, machinists, miners, then turbulent factionalism breaks out; and the real dynamics back of it is the mass which is out of work, which finds its pay cut, and which is vaguely uneasy because it sees the union's control slipping in the shop or the mine. That mass and not the "lefts" is at the bottom of the trouble. The "rights" can not obtain peace simply by eliminating the "lefts," nor will the "lefts" fare any better if, when in power, they find no effective balm for the hurts of the mass.

Now, in the third place, such a depression is frequently the signal that the time has come when the union must work out a new program of action, that the conventional tactics will no longer do, whether because the industry itself is changing form (becoming trustified, for example, or being decentralized), or because the industry is afflicted with some disease such as overdevelopment, which the management will not or can not cope with (it is said the soft-coal mines that have been opened in this country can supply twice as much coal as the country can consume), or because perhaps the union has done about as much as it can for its members through collective bargaining about wages and hours and must adopt a more constructive policy toward the problem of production on the one hand, and on the other hand must envisage the needs of its members and their families more broadly and humanely.

In other words, when we come on these cases of severe internal dissension, the point on which to concentrate and at which to look for the seat of the trouble is not the corruptness or inefficiency of the leaders, the stupidity of the rank and file, the wickedness of the "lefts," the presence or absence of democracy in the union; the thing to do is to study the industry, to ask what change it is undergoing and what measures the union must take to adapt itself to those changes.

C. THE ADMINISTRATION AND THE FIGHT FOR POWER

This leads directly to the next phase of our inquiry. We have suggested that the true occasion for the outbreak of factionalism in a union is a difficult but not insoluble economic problem in connection with the industry within which the union operates. We must attempt to set forth now the way in which individuals and groups deal with the problem—in other words, the specific psychological aspects of the situation. This phase of the inquiry we shall approach first from the standpoint of the administration and secondly from the standpoint of the opposition.

Administration there must be in human organizations. And machinery implies a "machine." Let us take, then, the familiar case of a group of paid officers of an international union. Such a group is usually found struggling to retain its offices. This is partly because they are honestly and firmly convinced that there is no group that has the same capacity, training, and experience for carrying on the work of the union. They have some reason for this good opinion of themselves. These men who are now being denounced as cowards, loafers, destroyers of the union, betrayers of the rank and file, agents of the manufacturers, are the men who founded the union or piloted it through its last serious crisis. They came up out of the ranks, were once the darlings of the mass, served the union for naught, fought on the picket line, were jailed perhaps, risked money, family, or life itself for the cause. If they have undergone deterioration since then, they are of course the last to feel it. They feel that they are as courageous, aggressive, honest, and unselfish as ever; only they have added experience which ought to render them still more useful. If now the "lefts" denounce them, what can be the explanation except that they are disruptionists? And if the masses listen to these same "lefts" and grow cold to their old

leaders, surely the explanation is to be found in the fickleness of these masses or the fiendish cleverness of the disruptionists, rather than in any slowing down and shortcoming on the part of the true and tried leaders.

Furthermore, the group in office seek to retain their positions because these positions are pleasant, and it is not easy to find other jobs that are tolerable. The officer is lifted somewhat above his fellows; he exercises power; he finds scope for his abilities; he becomes accustomed to applause; he gets a chance to hobnob with employers and intellectuals; his pay is higher and more regular than he could get in the shop or mine. If now he is forced out of his office, he will encounter difficulty from either of two directions, perhaps from both. He may find that employers do not want him as an "agitator" in the shop, that he is everywhere discriminated against. What this means, especially for a man with family responsibilities, the reader may easily imagine for himself. How far might such a man go with justification in trying to hang on to his job before facing this alternative?

Suppose, however, that this particular difficulty does not exist. Still the ex-official will find the great mass of his fellow workers, including most of those who vilified him for sticking to his job in the union, regarding his return to the shop or mine as a humiliation and taking good care to make him feel this. He is a man who did not "make good," has "quit under fire"; there must be a nigger in the woodpile, or why should he lower himself by a return to the shop? If the circumstances preclude such judgment, then he will probably be suspected of working at the trade and staying in the union in order to make things unpleasant for the man elected to replace him, and in order to build up a following for himself again among the rank and file.

Quite apart from these problems imposed on our official from without, in all probability he cannot earn as much as the union paid him and so can not keep his family in the style to which they have grown accustomed. During his absence from the shop he has lost skill and speed, which further cuts down his earning power, and in any case means a painful period of readjustment. How many people will one encounter in a year's travel who can bring themselves to exchange a white-collar official position for a dirty, monotonous, hot, exacting, obscure wage-slave's job in a mill or mine?

D. THE MACHINE

We have been discussing the case of the official who loses his position. Ordinarily, however, a machine remains in power for a considerable period of time; its members retain their jobs. The next point to be noticed is that such a machine invariably deteriorates. The process is the same as that which occurs within governing cliques in other fields, and we need not go into it at great length. The officials grow older and presently slow down. For reasons already hinted at and others that might be advanced, the life of the trade-union leaders is in the main a hard one, and they probably age prematurely. Some one, by the way, has made an interesting preliminary study which appears to bear out the contention that the average age of the leaders of social movements in their early, aggressive, creative stage is appreciably lower than the average age of their leaders in the later, less idealistic, and more conservative stage.

The machine came into power because it met successfully an issue confronting the organization; but conditions change, and the machine built for one purpose fails to function effectively for the attainment of another. The union accumulates funds, and the officer who is chosen precisely because the members had confidence in his sense of responsibility in money matters will hesitate to take action threatening the dissipation of the funds. The union has made substantial gains for the membership which only the union can maintain—the man in office will naturally dread to risk these certain goods for the uncertain advantages to be gained by precipitate action in an emergency. The members of the machine have to deal constantly with the employer, and they tend to be unduly impressed, probably, by his difficulties and needs. Of course some of the less scrupulous succumb directly to the opportunities for graft. For the best, life is a perpetual struggle with the membership, the employer, the government perhaps, public opinion. Progress is slow; one crisis is no sooner resolved than another begins to develop; after a while the officer is tired, disillusioned, bored, worldly-wise, prone to let well enough alone and to think things are going well when everything is quiet.

Withal, and this is of paramount importance, the machine loses touch with the rank-and-filer. The officers do not work in

the shop and frequently do not live where the mass of workers live. After a while they inevitably forget how a man who makes his living in a shop or mill thinks and feels. Moreover, when the machine first comes into power it is almost invariably because it has placed itself at the head of the mass in a great popular revolt. In such days the leaders feel themselves to be the creation of the membership and to be their servants. But gradually the leaders feel surer of their position; they get the habit of office-holding and command. They experience how ignorant and fickle and emotional the mass often is. They are less careful about consulting the membership and keeping their ear to the ground, and even if they go through all the motions of democracy as before, the mass instinctively knows that those who once felt themselves servants now regard themselves as teachers, guides, and masters; that those who once bowed down to the mass, now in their hearts despise or pity them—and they turn and rend their former darlings.

3. Why the Opposition is Like That

Oppositions do not create crises, they are created by them. But while the problem is thus fundamentally economic, the crisis takes the form of a struggle for control on the part of two groups, the machine and the opposition. The opposition, it is of the utmost importance to bear in mind, is not the rank and file, but a rival group of leaders. Democratic measures advocated by the opposition either are designed for the sake of dissolving the machine by decentralization of control or else are mere campaign talk. In other words, the difference between rights and lefts is not usually that one of them really seeks to rob the rank and file of power and the other to give them power, but that the former have forgotten that the mass requires to be manipulated and the latter have not.

Now it is obvious that oppositions, minorities, left-wing groups, have often been the bearers of progress. On the other hand, minorities are always more cocksure than the facts warrant, and never quite so noble as they themselves think.

The radical group in the union may be wrong, and the machine may be right, on an important issue. Just this is perhaps a good place to emphasize that the group constituting the opposition is usually composed of younger people. Now youth, as is well

known to all older and wiser heads, is always a nuisance. Younger people are vigorous, aggressive, sure of themselves, very serious about themselves as a rule. They always want secretly or openly to displace their elders. That means, of course, that they must criticize the way their elders are running things.

Now, every so often in the development of a trade union or any other social movement, a crisis requiring fresh leadership develops; some rebellious youngsters are on hand to take advantage of it, and they become therefore the fathers or saviors of the movement, whom future generations reverence and idolize. Five or ten years later, however, there is a fresh group of youngsters in the movement, just as capable, doubtless, just as devoted to the cause, and just as rebellious and self-assertive. But now there is no serious crisis in the movement; it really can dispense with the revolution.

For all this, as already indicated, the youngsters will not refrain from attempting to "revolute" and set things straight. Only this time they will go down in history for their trouble-making as plain trouble-makers and not as daring innovators, social pioneers, saviors of mankind. Minorities are not always right, and martyrs have died for bad causes as well as good. To take one or two instances from American trade-union history: No considerable number of trade unionists, conservative or radical, would now argue that refusing to make agreements with employers is sound trade-union policy; yet that is one of the principles for which the left-wingers in the movement fought during the years when I. W. W. influence was strong. The left-wingers of today were a few years ago pursuing the tactics of breaking up reactionary unions and encouraging dual unionism; now they eschew that policy and favor boring from within. Now, even if it were proved that in a general way the earlier tactic was appropriate to conditions then existing and the later tactic appropriate to present circumstances, it will hardly be contended that in each union where controversy raged, the earlier tactic was abandoned for the later at just the right moment. At some point some left-wingers were probably in the wrong.

The point to observe is that if the administration tends to err in these controversial situations by overestimating the number and extent of the difficulties in the way of aggressive action, the lefts tend to underestimate the obstacles. As human nature and

its institutions are at present constituted, blindness to difficulties and recklessness about consequences have on occasion a survival value. If there were not some people thus endowed, nothing would be done in certain crises. Blindness and recklessness are not, however, always saving virtues, as the opposition sometimes finds to its cost when it is in the saddle and must produce practical results. Every man will have his own opinion on this point, based much less on dispassionate observation and much more on temperamental bias or party affiliation than he thinks—my own opinion is that in a number of cases in recent years, in view of all the elements in the situation, particularly the stage of our economic development and the psychology of the majority of American workers, the lefts have asked and sought the impossible.

Now a critical and importunate opposition in a union in times of prosperity is like a spur to a racing horse, not too pleasant but productive of great results. The same sort of opposition in times of depression is like spurs driven into the flanks of a horse tied to the post—cruel and not calculated to make a better runner out of the horse when he is set free. And the American movement, what with open-shop drives, business depression, and the like, was for several years after 1920 in the position of a horse tied to the post.

Again, controversies are often needlessly complicated and embittered by the fact that the opposition usually espouses some radical philosophy or creed and insists that all who are to have a chance to function in the union shall profess the same creed, worship in the same church, render homage to the same hierarchy. Controversy rages about fine points of doctrine which have little or no relevance to the industrial issues that are the important concern of the union. At least in some cases these philosophies have been European importations congenial to the countries from which our immigrant groups have come and perhaps fitted to the needs of those countries, but not so congenial to American tradition and psychology, nor so applicable to American needs. The stress of such philosophies has, accordingly, made the approach to American workers more difficult and has given to reactionaries in the labor movement, as well as to foes without, a handle for attack on insurgent groups, of which advantage both fair and unfair has been taken.

These radical philosophies are in the main rationalizations.

A coherent and imposing philosophy is one of the chief forces that holds a group together emotionally; it fills the rôle of a religion. When, therefore, the situation clearly demands a group ready to go through thick and thin to clean house and achieve its goal, the philosophy is justified, since without it the group would not have the religious fervor to follow through. Where this is not the case, the insistence on the philosophy may lead to useless if not harmful irritation and confusion.

In this same connection mention should be made of general social or political issues which are often incorporated in the program of an insurgent group, though they do not bear in any but a very remote fashion on the legitimate trade-union issues in controversy. Thus amalgamation of craft into industrial unions, recognition of Soviet Russia, and affiliation of the A. F. of L. to the Red International of Labor Unions will all figure in the program of a group, though the first is on an entirely different footing from the other two as a living, pressing issue for the American trade-union movement. Likewise a strictly trade-union issue like amalgamation may figure about equally in the program for the needle trades, the metal industry, and the railroad shop crafts, for example, though it is certainly not of equally pressing significance in all three cases.

As is obvious to the social psychologist, we have here again not objective and critical effort to deal with concrete situations, but the need of a group to have rallying-cries and fine-sounding aims in order to rouse its own emotions and to keep itself sharply distinguished, in its own eyes and those of the rank and file, from the rival group. If the rights tend to be cool toward Russia, the lefts must idealize her; if the rights tend always to ignore or dodge the amalgamation issue, whether or not it be important in a given case, then the lefts must press for amalgamation, and vice versa.

We are brought back repeatedly to the point that the opposition is a rival group of leaders that organize a party in order to place themselves in power. The opposition may be necessary, and it may, on the main point at issue, be right. For all that, it is struggling for power, and it will tend to act as parties seeking power always act. It will exaggerate its own virtues and its opponent's vices. It will be unscrupulous. Its ethics will be the ethics of war. It will identify its own success with the general

good. It will use the end to justify the means. It will come to love power for its own sake, and when it has gained power, it will hold on to it with main force.

4. What Are the Remedies, if Any?

The whole trend of our discussion suggests that we can not be confident that much can be done—human beings are "like that"—and therefore we must not be too tender-minded about these little fights that periodically rend and tear the movement. There is a good deal of truth in the statement of one sociologist to the effect that only a liberal, living in a dream world, "wants to change the conflict into calm, the active passion of the movement into a quiescent deliberation of plans—and parades! In brief, the struggle is one of trial and error and no armchair discussion will shorten its travail or soften its spirit."

Yet it would be as unreasonable as it is impossible simply to rest the case there. All parties will admit in their calmer moments that they have made mistakes, mistakes which have hurt their own cause as well as the movement in general, mistakes which could have been avoided had the situation been more clearly analyzed and understood. Dissension may be preferable to death, a divided movement better than no movement at all; but a united movement is better than either. We must perforce confine ourselves, however, to a few suggestions dogmatically stated.

First, a trade-union machine, like any other, may remain relatively honest and efficient, on two conditions; first, that its members be experts trained for their work and that they have a sufficient incentive, barring exceptions, for good work, and secondly, that there be frequent infusion of new blood. As for the former, the time must come when trade-union officials are trained in schools of trade-union administration as well as in "the hard school of experience." This will furnish a relatively objective test for candidates for office and will eliminate at the outset those whose only qualification is a loud voice and ability to talk so as to suit the mob, whether it be a radical or a conservative mob. Assuming that measures are taken to secure competent officials, they will have an incentive for good work, provided that their pay is reasonably adequate, that they are given real responsibility, and that they have a reasonable measure of confidence and respect from those they serve.

In the next place, some of the most serious developments of factionalism may be prevented if the active workers in the unions, outside of the officials (those who in the needle-trades organizations are called "the activity"), are better trained for their task. This training provides the most strategic sphere of functioning for the workers' education movement. In the training of this active minority, emphasis must be placed on modern psychology, on the study of the problems of the particular industry in which the group is employed, and on the history of the labor movement, both for the sake of the concrete lessons to be gained from the experience of the past and for the inspiration to be derived from it.

Finally, some consideration will have to be given to the moral or ethical aspects of this problem of factionalism. Those who have been in touch with unions when they were passing through such crises must have been struck with the fact that each side always complains bitterly about the unethical practices, the unfairness, the unscrupulousness of the other. There is always a tremendous amount of outraged sentiment manifested in the complaint. We shall understand what is really happening if we recall what G. Stanley Hall and others have pointed out; namely, that the morals of a group are not something otherworldly and superfluous, but the very definite practical thing we have in mind when we talk about morale. A group holds together and functions because inside the group certain attitudes and rules are observed and enforced. When this condition no longer holds, when morale is broken up, then the group is falling apart. And so essentially social are human beings that the worst thing that can happen to them is the falling apart of some important group in which they have functioned.

Whether, therefore, moral rules are to obtain in the union, is a question of the utmost practical importance. If an organization is to hold together, not to be seriously weakened in the face of the enemy, the rules of the game must be observed. For the sake of argument, it may be admitted that situations may arise where this is no longer possible, but then we must understand precisely what has happened. In the strict sense of the term war has been declared. Under the circumstances, it is quite silly to complain if one is hit below the belt or stabbed in the back.

A. J. Muste.

CHAPTER XXXII

VIOLENCE IN LABOR CONFLICTS

1. Violence in 1877—Made in America

On a midsummer night in 1877 the citizens of Baltimore were awakened by a wild ringing of bells. Not since the Civil War had the unearthly peal of the militia call to arms sounded through the city. Strikers had taken possession of the Baltimore and Ohio Railroad station, and the Fifth and Sixth Regiments of the Maryland National Guard were marching against them. But so resolutely were they entrenched, and so hostile were the city workers who supported them, that the general alarm was rung for reinforcements. The city trembled with terror and excitement.

The Sixth Regiment, finding its advance on the station blocked by hostile workers, closed ranks, and suddenly, horribly, fired a volley into the massed crowd. Instead of plunging to cover, the crowd charged the troops and tried to wrench the guns from their hands, only to be met by volley after volley. Slowly the regiment fought its way to the station, leaving dead and wounded guardsmen to mark its advance. The station was captured—only for the militia to find themselves surrounded by ever-increasing numbers of strikers and their sympathizers. A frantic telegram for help was sent to Washington. General Barry, with a detachment of regulars supported by artillery, finally relieved the militiamen, and also captured and imprisoned fifty strikers.

By this time Washington was almost as frightened as Baltimore. The Cabinet convened and decided "that no further depletion of the military and naval forces at the capital ought to be made." Two companies of marines marching to entrain for the strike area had been hissed and jeered by street crowds in Washington. The warships *Swatara* and *Powhatan* were directed to bring additional troops from Norfolk to the capital; the ironclads *Washington* and *Philadelphia* were ordered to prepare for instant service; plans were laid for the defense of the Treasury.

By this time Pennsylvania was aflame. The Baltimore and Ohio strike was caused by a 10% wage cut—the third cut in three

years. The Pennsylvania Railroad had cut wages in June, and was about to promulgate an order doubling the number of freight cars to be handled by the same crew of men. This meant wholesale reductions in the working force. The men struck—a day or two after the Baltimore battle. State troops gathering in Pittsburgh set out to arrest the strike leaders. Their way was blocked by the crowd. The sheriff read the riot act. The troops fired into the mob, whereupon the strikers attacked the troops. Some of the local militia joined the strikers. The battle was general and bloody. During the day strikers broke into stores and carried off $100,000 worth of guns, pistols, swords, and knives.

The State troops were finally beleaguered in a railroad roundhouse. The strikers bombarded them with two pieces of captured artillery. Making a breach in the walls, they attacked in force, only to be cut down by the concentrated fire of the troops. Next the besiegers sent cars of oil-soaked coke down the tracks toward the roundhouse, and finally they set it on fire. The troops retreated with heavy losses across the Allegheny River to Claremont, twelve miles away. Two roundhouses, 1600 cars, and 125 locomotives were destroyed.

In Reading the whole Sixteenth Regiment—largely composed of Irish workers—went over to the strikers, following a violent battle in the streets. In St. Louis a committee of strikers took possession of the city government for a week. They were finally dislodged by a combined force of infantry, cavalry, and artillery. In Chicago there was a pitched battle between Federal troops and strikers at the Halsted Street viaduct.

So went the summer of 1877, the bloodiest year in the history of American labor conflicts. The revolt was that of American workers. There were no "immigrants," "foreigners," "orders from Moscow." The basic causes lay in the terrible conditions which followed the financial panic of 1873 and in the tradition of organized fighting left from the Civil War. The unemployed were estimated at 3,000,000 in 1877, and the death of workers from starvation was familiar in the day's news.

2. Homestead—A Domestic Product

Down the river to Homestead comes a boat. It is early morning in the summer of 1892. Aboard the boat are 300 Pinkerton gunmen. They are coming to defend "Fort Frick," the works of the

Carnegie Steel Company, now surrounded by a barricade 3 miles in length, 15 feet high, and covered with barbed wire. The boat steams nearer. Pickets of the locked-out steel workers give the alarm. Within a few minutes the water front is crowded with hatless and coatless men, rifles in their hands. The Pinkertons point their guns. There is a moment of intense suspense. Then a shot rings out from the boat, and a steel worker falls. A yell goes up from the crowd on the bank, and their rifles bark almost in unison. The Pinkertons answer with a hail of lead. Leaders try to stop the fire of the workers, but the men are beyond control. The battle is general for more than an hour. The Pinkertons are surrounded, and finally surrender. They are imprisoned in a skating rink, but in the night the strikers send them out of town on a train. Twenty-four are dead, and as many seriously wounded, following this day's work. Said the Senate Investigating Committee:

> Your Committee is of the opinion that the employment of armed guards at Homestead was unnecessary. There is no evidence that the slightest damage was done, or attempted to be done, to property on the part of the strikers. . . . It was claimed by the Pinkerton Agency that their men shall be sworn in as deputy sheriffs, but the fact was admitted on all sides that the armed men supplied by the Pinkertons were not so sworn, and that as private citizens acting under direction of such of their own men as were in command, they fired upon the people of Homestead, killing and wounding a number. . . . Such a use of private armed men is an assumption of the State's authority. . . .

The Carnegie Steel Company had locked out its workers, built its barricade, and sent for the Pinkertons, on the rejection by the union of a proposed wage cut.

3. Violence Even Before We Knew Bolshevism

Mother Jones is getting off the train at Paint Creek station in the coal mountains of West Virginia. A brakeman has just told her that it will mean death to mix in the bloody war that has been raging between the miners and gunmen of mine owners along Cabin and Paint Creeks. A little boy runs up to her:

"Oh, Mother Jones! did you come to stay with us?"
"Yes, my lad, I've come to stay."
A mine guard, armed to the teeth, is listening.
"You have?" says the guard.
"I have," says Mother Jones.
The little boy throws his arms around her knees.

"Oh, Mother, Mother, they drove my papa away and we don't know where he is, and they threw my mamma and all of us out of the house, and they beat my mamma and they beat me. See, Mother, I'm sore where the gunmen hit me," and he pulls down his cotton shirt and shows his shoulder black with bruises.

"The gunmen did that?"

"Yes, and my mamma's worse than that, worse . . ." Suddenly he begins to scream. "The gunmen! the gunmen! When I'm a man I'm going to kill twenty gunmen for hurting my mamma! I'm going to kill them dead—all dead!"

Mother Jones travels up and down the Creek, rousing the spirit of the miners. She organizes 3000 of them who secretly march, fully armed, over the hills to Charleston, where she lays the case before Governor Glasscock on the steps of the capitol. She gives him twenty-four hours in which to get the gunmen out of the strike area. Failing that, the strikers' army will go on the loose. The Governor is genuinely frightened and sends in the State militia to oust the company gunmen from the Creeks.

Two years later she is in Ludlow, Colorado. Mr. Rockefeller's miners are on strike. He is bringing in Mexicans to work in their places. On the nineteenth of April, 1914, the same machine guns which had killed miners in Paint Creek are leveled on the strikers' tent colony. Two militia officers are in charge of the guns—Major Pat Hamrock and Lieutenant K. E. Linderfelt—but the majority of the men were company gunmen sworn in as soldiers. The major demands the surrender of two strikers. The strikers ask for a warrant. There are no warrants. The two men are not given up, and the soldiers return to their line. A signal bomb is fired, and the machine guns begin to spray a horizontal sheet of lead through the tented colony. All day long the firing continues. A little boy is shot through the head trying to save his kitten. A child carrying water to his dying mother is killed. The strike leader, Louis Tikas, is riddled with bullets as he tries to lead women and children to safety. The women and children die with him.

But the miners who still live are fighting back—trying to cover the retreat of the others. In the night, the soldiers set fire to the bullet-riddled tents with oil-soaked torches. Coils of barbed wire are stuffed into the well which furnishes the strikers' only water supply. When the survivors creep back later to bury their dead, they find the charred and unrecognizable bodies of eleven little children in a dugout under a burned tent.

Through the district men sprang to arms, pledged to redeem this bloody deed in blood. A delegation went to see President Wilson, among them a woman whose three babies had been burned to death in the Black Hole of Ludlow. President Wilson sent United States cavalry to quell the gunmen of Mr. Rockefeller's company. But they were not quelled.

4. Haymarket—Chicago, Ill., U. S. A.

May 1, 1886, was the first Labor Day. It was neither a quiet day nor a quiet year. The dreadful eighties saw the rise of the trusts to power; an enormous displacement of American workers by machinery and by the stream of immigrant labor which the trusts fostered; a forcing down of wage levels; increased hours; and a great influx of children into the mines and the mills ("at Harmony Mills, Cohoes, N. Y., children were flogged with leather straps if they could not keep up the pace required").

But from July, 1885, to July, 1886, the Knights of Labor increased their membership from 104,000 to 703,000. "The movement bore in every way the aspect of a social war," writes Commons. "A frenzied hatred of labor for capital was shown in every important strike. . . . Extreme bitterness toward capital manifested itself in all the actions of the Knights of Labor, and wherever the leaders undertook to hold it within bounds they were generally discarded by their followers, and others who would lead as directed were placed in charge."

Reaction breeds action, mass action. With the swallowing up of the last of the public lands by the great corporations, "American labor was," to quote Commons again, "now permanently shut up in the wage system." It was not shut up without a struggle. The militancy of the workers led by the Knights of Labor was exceeded only by the militancy of the government. A series of great strikes in which violence was the accepted technique culminated in the nation-wide eight-hour demonstrations and stoppages which marked the first Labor Day, forty years ago. General Phil Sheridan conferred with the Secretary of War on the danger of "entire cities being destroyed by the infuriated populace." General Sherman, Chief of Staff of the Army, declared, "There will soon come an armed contest between Capital and Labor. They will oppose each other not with words and arguments and ballots, but with shot and shell, gunpowder and cannon. The better classes

are tired of the insane howlings of the lower strata, and they mean to stop them." The *Chicago Times* argued that "hand grenades should be thrown among those who are striving to obtain higher wages," to which a furious labor editor replied: "God speed the day that hand grenades will be thrown among honest men. . . . That day would be the dawn of deliverance for enslaved labor." Both sides specialized in the military tactics of street fighting. The Chicago Anarchist riots were the climax of this bloody and turbulent decade.

5. Per Capita of Violence Remains Stationary

In 1836, the tailors were on strike in New York City. Not one of them talked like Mr. Milt Gross. They were old-line Americans, and their spokesmen, at least, used beautiful English. Here is an appeal for aid dispatched to the Journeymen Tailors' Society of Philadelphia:

> We have been on a stand-out against a reduction of wages since the 23rd of January last; the attempt by our would-be "Masters" to reduce our wages commenced in the middle of an inclement and unusually tedious winter when provisions, fuel, and every domestic requisite, rose to an unprecedented price hitherto unknown in the City of New York.
>
> Such was the period chosen by our tyrant employers to attempt to crush us. Not satisfied with attempting to starve us into compliance, they have brought to the aid of their unhallowed purpose the petty minions of the law. Those minions, clothed with authority, have insulted and knocked down some of our members in the public streets, and dragged them like common felons to the police office.
>
> To be brief—five and twenty of our members are arraigned and are to be tried on Friday next, for combination, conspiracy, and God knows what else!

In December, 1926, ninety years later, the paper-box makers were on strike in New York City. They, too, were predominantly an American group. The "petty minions of the law" were still on the job. One striker said that his front teeth were knocked out by a blow from a policeman. A girl was badly hurt when an officer struck her with a chair. Two men asserted that they were arrested and fined on trumped-up charges. An orderly line of pickets—girls of high-school age—was broken up, and one girl severely beaten. All this within two blocks of Broadway. . . .

Violence in 1836, violence in 1926, and violence in every year between—though never perhaps on quite such a gorgeous scale as the bloody years of 1877 and 1886. As conquerors of a continent,

we Americans are a violent people. Never have our labor conflicts been more violent than when captained and manned by Americans. We have not followed theories to any great extent, but when the shoe has pinched we have been ready to "sock somebody on the jaw." The "sockee" has replied with the utmost enthusiasm and vigor. The employer, through his gunmen or his government, has the more often started the actual fisticuffs. Until comparatively recently a stoppage of work has been held a *casus belli*—impious and blasphemous, and violently to be put down. But after the first shot, there is little to choose between the parties in belligerency.

I see no slackening in the curve—broadly speaking. Violence per capita may be somewhat less since the great railroad strikes of 1922, but those of us who have followed Passaic and Herrin and the New York fur and garment strikes—all conducted in the piping times of prosperity—can not fully believe in that brotherly handclasp now said to be cementing the relations between capital and labor.

6. Union Power an Alternative of Violence

Mass production is the outstanding characteristic of our industry. Mass production throws cheap commodities on the market. More is placed within the sight of the poor man than he can dream of buying. The growing discrepancy between artificially stimulated desires and the real limitations of possible gratification breeds conflicts which of necessity tend to become more rather than less violent. Mass violence is the differential between expanding mass production and under-developed mass consumption. So long as our industrial régime continues stimulating appetites without providing a legitimate opportunity for the satisfaction of these appetites, conflict will tend toward intensity, and neither preachments against violence nor prohibitive legislation will prove effective. Political regulation has never been proved capable of solving fundamental industrial conflicts.

Although everybody deplores violence in labor disputes, it seems to be often inevitable. Most employers, despite pious speeches delivered at banquets, regard labor as a commodity. Labor costs, like raw-material costs, must be kept at a minimum if profits are to be kept at a maximum; so the employer reasons within himself, and so he *behaves*. The tangible behavior is what affects his workers. They resent, consciously or unconsciously,

the commodity status. At a certain pitch of resentment, violence becomes as inevitable as the thunder which follows lightning. There is growing talk in the United States to the effect that enlightened captains of industry are discarding commodity behavior, in favor of the high-wages-high-purchasing-power theory, with Mr. Ford as the standard-bearer. To date it is mostly talk, but if employers generally should really become converted to this point of view, and act on it, the stimulus to violence, one suspects, would be materially reduced.

Convenience and almost Puritan modesty have moved us to charge violence to the account of Moscow. To the Communists and to the International of Red Trade Unions we have relegated responsibility for what is as essentially a trait of American living as is Babbittry. Even as these two, violence and Babbittry, are passing characteristics, so too are they interrelated. They are brothers under the skin. "Knocking the other fellow's block off" is the method of deciding issues among blockheads.

Ours has been a violent world. We have grown too fast to be anything other than violent. Mechanics and technique have superseded our cultural growth. More power and less violence will appear with our coming of age. For violence and power are not synonymous. The distinction between force evolving into power, and violence, must not be overlooked. Power contains the threat of force and so the threat of violence, but if the power is great enough to command respect, force may never be used.

The Amalgamated Clothing Workers, after a more or less violent history, have established themselves as a very powerful union. They are powerful enough to make their employers discard commodity behavior and accept coöperative behavior. As a result, violence is now at a minimum, and joint responsibility for the fundamental welfare of the industry is at a maximum. This is a condition greatly to be preferred to straight paternalism on the part of the employer. Both tend to check violence, but the union-power principle checks it with a gain to, rather than a sacrifice of, human dignity. When labor generally becomes powerful enough, force and violence will very seldom be the cards played. There will be no psychological imperative behind them.

STUART CHASE.

CHAPTER XXXIII

STATE FEDERATIONS AS MOVEMENT CENTERS

State Federations of Labor can be as useful and as powerful as organized labor in the various States wishes to make them, if certain essentials are lived up to. These are the same things that are essential to any type of labor organization: (1) a progressive, honest, and vigorous leadership, (2) freedom from entangling alliances with political parties, and (3) revenues adequate to carry on the work properly.

Partly by common consent among trade-union workers and partly because of the nature of our government, the bulk of labor's legislative activity has been delegated to the State Federations. This is certainly one of the most important of their functions. When a State Federation fails to put forth every effort to make the power of labor count in securing good labor laws and effective enforcement of them, members may well ask the reason why.

It may be noted in passing that one step essential to this end is to locate Federation headquarters in the capital city of the State. Eternal vigilance is the price of good legislation, and it is difficult to be vigilant across half a State. Before the office of the Pennsylvania Federation of Labor was moved to Harrisburg, in 1912, there had been very little success in passing the kind of legislation that labor wanted. Since that time, substantial progress has been made in almost every session of the legislature.

When the legislature is in session, the State Federation must act as a sort of clearing house for the labor bills that are introduced. Otherwise, much labor lobbying may work at cross purposes. All the sections of the labor movement must be brought into agreement on important measures, if the full weight of labor's support is to be felt. Hence out of the many labor measures that are offered, the best must be sifted from those that are merely good. The Federation officers must be equal to the task of appraising the bills, examining them for possible flaws, and winning, for those chosen, the solid support of organized labor in the State.

No less important and difficult is the task of leading the fight for the bills after they have been duly introduced. Only shrewd

and experienced lobbyists, such as the State Federation must develop, can prevent the bills that labor favors from being mutilated by amendments, or put to sleep in committee, by the lobbyists of the opposition. And only by means of a vigorous campaign of propaganda from the Federation headquarters, and by letters urging every local union to bring pressure to bear on their own representatives, can the legislature be made to feel the weight of opinion which is supporting progressive labor legislation.

Having secured the passage of laws beneficial to the workers, there remains the important task of seeing that they are enforced. Here again, vigilance is required. All too often, labor has fought successfully for such measures as factory inspection laws, anti-sweatshop laws, anti-child-labor laws, and the like, only to find that the State department charged with their enforcement was too inefficient or corrupt to carry them out. Frequent and vigorous complaints must be registered with those in authority to get this condition changed, and no other organization is in so favorable a position to do this as the State Federation. If it lets the workers of the State know that their complaints will be promptly and vigorously followed up by the officers of the Federation, without exposing the names of the workers who complained, the complaints will come into headquarters in goodly numbers, whenever State officials are lax in enforcing the laws.

Back of legislative activity lies political activity. In the latter, the State Federation is just as logically the leader of organized labor in the State, as in the former. It must determine a political policy which best serves Labor's interest and must carry this policy through with as nearly unanimous backing as possible. Most Federations, no doubt, will find the most fruitful policy to be that of "rewarding friends and punishing enemies," for some years to come. If adopted, this policy must be adhered to with honesty and tenacity of purpose. Any deal with a political machine must surely spell the doom of the Federation's power. Candidates must be indorsed on the basis of their records, not on their relationship with the political bosses of the State.

Education is another important work which the State Federation ought to perform. A department of education should be part of every Federation, with sufficient financial support to enable it to employ one or more specialists in workers' education and research. Through this department, the important task of educat-

ing the membership can be carried on. The Pennsylvania Federation of Labor has had such a department for four years, and it is steadily winning increased recognition as an essential part of the Federation. Study classes are organized wherever a sufficient number of workers can be interested; conferences on industrial problems are held in different cities in the State; Chautauquas, forums, pamphlets, research studies, and other means are used to reach the workers and the general public with labor's message.

The national and international unions are charged with the chief responsibility for those union functions which might be regarded as strictly economic in character, such as organizing the unorganized, conducting negotiations for wage agreements, and calling, conducting, and terminating strikes. The State Federation, however, can be of considerable aid to the internationals in these matters, by furnishing the services of its officers whenever they are available, by acting as a State clearing house for all sorts of labor activities, and by mobilizing public opinion behind every effort of the internationals to extend their membership or to win better wages and conditions. The Federation is the generally accepted spokesman for organized labor in the State, and if its officers establish a reputation for honest and forceful expression of labor's attitude on controversial questions, they can usually win a hearing in the press more readily than the officers of any other labor organization.

The work of the American Federation of Labor covers a field of activity which is outside of the scope of the State Federation. It is the spokesman for labor on national issues, just as the State Federation speaks for labor on State issues. There is no reason for conflict, nor even for overlapping. The State Federation, by instructing its delegate to the A. F. of L. convention, can present its viewpoint to that body. Beyond this it can not legitimately seek to control A. F. of L. policies. The relation between the two is very similar to that of our State and Federal governments.

James H. Maurer.

CHAPTER XXXIV

FOREIGN INFLUENCES ON AMERICAN LABOR

There are some fundamental features of the relation of American workers to foreign influences in the past which no prognosticator of the future can afford to forget. The workers of this country have profited but little from the experiences of foreign workers. The temper and tactics of American labor have arisen slowly and tentatively in the course of the struggle for security and ascendancy within the circumscribed limits of objective American conditions.

From this the inference should not hastily be drawn that the American worker is unconnected with the ebb and flow of world affairs, for the very situation to which he has adjusted his expectations and his efforts has been drastically affected by its unavoidable entanglement in these conditions. The fact that the American working-man is not an imitator of foreign models does not mean that foreign influences have passed him by, but that they have acted on his mind not directly, but indirectly, by changing the contour of his surrounding circumstances.

For the unfolding future as well as for the visible past, it must be remembered that the worker learns at first hand, and not vicariously by subtle ratiocination on the experience of others. His perceptions are primitive and direct. His reactions are to substantial variations in the world of everyday experience. He grows under the prod of outer pricks.

1. Trade Unionism a Home-Made Utensil

American trade unionism is not an imported exotic, but a home-made utensil. Most of America's immigrants have learned their unionism in this country, for the typical immigrant was a peasant and not an urbanite. The Welsh coal miner was an exceptional and not a characteristic phenomenon.

Craft unionism established its ascendancy after long and bitter years of disillusioning experiment, and sheer imitation was incidental to the stream of causation which led to its predominance. That details of union structure have often been taken over bodily

is true, as when the cigarmakers copied the high dues and benefit features of the English Amalgamated Society of Engineers.

Even the rise of industrial unionism during the past generation has profited surprisingly little from foreign theory or example. In its modern form it dates from the raging nineties, when the violent struggles in the bituminous coal industry and on the railroads threw some doubt on the fighting power of undiluted craft unionism. The alternatives were to scab or to fuse, and some form of fusion was the result. In some instances the progress of industrial organization was facilitated by foreign traditions. The Brewery Workers were principally German Socialists.[1]

What has been said about the structural principles of trade unions applies with equal force to the economic and political tactics of American labor. The practise of collective bargaining and of the limited-objective strike came easily into vogue where piecemeal improvements in material welfare were readily possible. Some innovations, such as the experiment in industrial adjudication, owed much to the influence of imported culture patterns. The Jews were accustomed to submit their disputes to elders, and it was no far cry to the establishment of a similar arrangement in the clothing industry.

The tactics of non-partisan or bi-partisan activity have survived for many years in spite of the influence of European example and the agitation of an active, imitative minority. Whatever may be the future in this respect, European models have fostered severe miscarriages of leadership in the past. Daniel De Leon, for one, was committed to the theory that the trade unions should support the Socialist party. His disastrous effort to build up a rival to the A. F. of L. made Socialism synonymous with sedition in the minds of many thousands of workers. It was not until Debs and Berger joined forces to organize a distinct Socialist party that Socialism began to recover.

Though revolutionary unionism in the United States has been of incidental importance in the history of labor, it has unmistakably grown from local conditions of an acutely provocative character. The various forms of sympathetic strike, sabotage, and stoppage were practised in America before they were chris-

[1] American workers have rarely supported with success other forms of economic organization than unions. Coöperation, however, thrives among the Finns of the Superior and Duluth region.

tened from Europe. The philosophy of violence has been more or less endemic among the casuals, and the lucrative occupation of violence has flourished among a certain type of business agent in the building trades.

Allowance must be made for the influence of the realistic doctrines of the Communist party, which are directly imported from Russia, on the tactics of American labor leaders. A certain tolerance has given way to ruthless measures of expulsion and discrimination. The "bore from within" technique was evidently too dangerous to their power to be put up with. The attitude of the trade unions toward the Soviet experiment is an example of the negative influence on policy which may be exercised by a foreign model of what is to be shunned as well as of what is to be adopted. Revolutionary unionism abroad was presented to the American workers as such a monstrous thing that the grip of conservatism has been tightened rather than weakened since the enthusiasms of the war period.

It is significant that the leaders of foreign blood who have mattered the most in the history of American labor during the last half century have been other than foreign in belief. Some of them had to divest their minds of Socialism before they could put on the habiliments of power in America, but such men as Gompers and Strasser found that the transition was not too rough to make.

Above all, the prevailingly moderate temper of the American workers has been fostered by the relatively abundant economic opportunities of a boom country.

2. The Mind of the American Movement and World Affairs

Of direct borrowing from abroad, either in spirit or method, there has therefore been little. Foreign influences have been otherwise potent. That the American wage-earner is better off in terms of corn-flakes, tooth paste, bathtubs, and leather shoes than his prototype in Germany, France, or England is beyond dispute. That he owes it in large measure to the stupendous natural resources of the North American continent is obvious. But it ought never to be forgotten that he, in common with all others who dwell here, is the beneficiary of the scientific heritage from Western Europe by means of which these resources have been so prodigiously exploited. If the story of America is the tale of

what happens to European peasants when they move away from home, it is none the less a story of what happens when European learning finds a congenial habitat. The scientific knowledge of Western Europe is the parent branch which has produced a luxuriant technical foliage in its new environment.

The worker as a consumer is likewise a beneficiary of the world-wide economy which, by favoring quantity production, has enriched the material standard of living of most men everywhere. If the worker as a human personality has become the poorer by reason of those stupendous alterations which were so greatly expedited by machine culture, he must once more attribute this, not to the effect of the provincial and the local, but to the consequences of the universal and the general.

Before the War of 1914, the American worker was in a certain sense a recipient of the bounty of Europe at the expense of his fellow laborers. The capital sent to this country might conceivably have improved social conditions abroad; as it was, much was lost outright, and more was lost indirectly, on account of the steady depreciation of the value of gold during the century. Since the War, the old state of affairs is no more. American investments flow abroad. Whether in the long run this movement will do more to enrich the standard of living and the abundance of employment by increasing the total world production, or whether it will do more to retard the relative rate of improvement in American standards of living, it is impossible to predict. In any case the American workers are dependent on these very subtle and elusive forces which are alike difficult of comprehension and direction. And since the turn of the century, American manufacturing has grown increasingly dependent on its success in sharing the market beyond the boundaries of this country.

If it is not inconceivable that the American worker may be relatively worse off as a result of the rising competitive power of low-standard countries which are aided by outside capital, it is not improbable that they may be somewhat assisted by the forms of international action which are intended to level up the position of labor the world over. The Covenant of the League of Nations binds its members to promote "fair and humane conditions of labor" regardless of whether the country is their own or one with which they have business relations. The execution of the labor clauses of the Versailles Treaty is facilitated by the permanent

International Labor Office and the annual General International Labor Conference. Within the first five years of its existence the Labor Conference had proposed sixteen draft conventions of which 159 ratifications were secured and in pursuance of which 181 legislative enactments were passed.

The steady pressure of immigration from abroad has been a powerful factor in conditioning the development of American labor. This rendered necessary the invention of a special technique by which the trade unions of the country have sought to surmount the barriers raised by national antipathies and by sixty alien tongues. A careful review of these devices has recently been published by W. L. Leiserson in his book *Adjusting Immigrant and Industry*.

An important influence on the relationships subsisting between the leaders and the led in trade unions has been exerted by the mere presence of alien elements. Trade-union officials often develop an unmistakable contempt for the "dee, dis, dat" rank and file, as Hoxie once observed. That trade-union politicians may control large blocks of votes by proper management of the key leader in a group of aliens is a well-known fact. The key man often shows certain generic traits, as did Nick who commanded the Italian vote, who has been described by Miss Kopald as "a Mason, an Odd Fellow, and several other kinds of a 'good fellow.'"

The cautious and bureaucratic office-holder is sometimes willing to exploit popular prejudice against the "radical foreigner" by hurling the epithet at the heads of insurgent or rebellious competitors inside his own union. Neither the officials of the coal miners nor the railroaders had any scruples about this when their supremacy was threatened by the illegal strikers just after the war.

3. World Affairs Affect American Living

Another feature of the position in which the American worker finds himself in relation to the world deserves more than the passing mention which must be given it. His very life is tied up with the play of world-wide political forces which are collectively known as the "balance of power," but which, from their fluid and indeterminate character, better deserve to be referred to as active elements in the "balancing of power." That the lives of American workers would be sacrificed as the result of a chain of

events precipitated by the assassination of an Austrian archduke appeared no more incredible in 1914 than that obscure business transactions in Central America or that incoherent rumblings in China may touch off the fuse of solemn events in the impending future. American workers are launched, whether they will or no, on the dark and turbulent waters of international politics, and they pay with their lives when the pilot is dull or treacherous.

It must be recorded, finally, that the policy of the workers in this country is profoundly affected by the esteem with which their fellow citizens look upon them, and that this depends in no small degree on foreign news about labor. The Commune of 1871 or the Bolshevist experiment of this day cut no angelic figure in the press dispatches. Considerations of tactics alone (were laborers not themselves participants in the identical attitudes of the community) would tempt the trade unions to turn a scowling countenance toward the Union of Socialist Soviet Republics. For the prejudice that labor is alien and radical and un-American lives in the agrarian districts. What labor is supposed to be doing abroad reverberates over the belts of corn and wheat and cotton.

Enough has perhaps been said in this rapid sketch to substantiate the diagnosis that although the minds of American workers are little touched by the prestige of foreign example, the objective conditions of their daily life are intimately connected with the movement of world affairs.

HAROLD D. LASSWELL.

CHAPTER XXXV

ASPECTS OF LABOR PROPAGANDA

The propaganda methods[1] that can be employed successfully by labor depend on the end that labor has in view. Should labor propaganda simply seek to arouse enthusiasm and develop solidarity among workers? Should it seek to tell the sordid tale of the class struggle? Should it stress the ugliness and shortcomings and inefficiencies of the present industrial order? Or is the major task the beautifying of the future for which the labor movement is to fight? Back of these questions is still another: Should propaganda seek to bring about an immediate general overthrow of the existing order, or should it lay stress on accomplishing reform bit by bit? The propagandist in a given case must have an end; his program must be purposive.

This discussion cannot decide what end or ends labor should seek to attain. But the propagandist is likely at times to face such problems as (1) how can the opposition be discredited? and (2) by what means can pride and solidarity be developed among workers themselves? In given cases, moreover, there may be a desire to recruit the more or less open-minded to labor's ranks. How can they be reached? It is to these questions, therefore, that this discussion is directed, but with a clear realization that no rule of thumb is possible and that what is written must be taken with various qualifications to accommodate the differences in aim that exist between such groups as the Brotherhood of Locomotive Engineers and Firemen and the left wing of the International Ladies' Garment Workers of New York City.

1. Discrediting the Opposition

In considering how the opposition can be discredited, the first task is to locate the opposition. In given cases the opposition may not be individuals who sit in positions of nominal power. It may

[1] The broader question of right and wrong in the use of propaganda is not discussed here. Rather, this is a discussion of propaganda as a technique, what is and can be done once an end is decided upon. As such it serves, perhaps, the purpose of those who desire to avoid being "taken in" as well as those who desire to use it to serve their interests.

be an institution, a commonly recognized way of doing things. Thus in the bituminous coal industry it may well be that the real opposition is not so much the operators as the common belief in competition as a salutary institution for the soft-coal industry—a belief held less tenaciously by the operators, perhaps, than by the general public. In any case the opposition must be located. By discrediting the present you get a hearing for the new. The best assault on a citadel, oftentimes, is to undermine the walls—not to build alongside and try to capture it by accretion. Thus, if labor through various forms of propaganda can puncture the prestige of the controlling groups and controlling ideas, it will secure a more respectful hearing from the non-combatant classes, and it will instill pride and solidarity into its own ranks. Nor does such a philosophy of action apply only to those groups who desire to discredit the existing order *in toto* as a condition precedent to establishing a new "ism"; it is a workable approach for those who may simply be seeking more wages and shorter hours of work, for with the morale of the opposition undermined, with its policies discredited, with its sense of self-righteousness questioned, it becomes amenable to concession.

In contrast to the policy of discrediting the opposition, labor can work with the opposition and appeal to its philosophy and point of view as a device to secure results. But the propagation of ideas through direct appeal to the opposition has been largely a futile task. The League for Industrial Democracy sends speakers occasionally to Lions' Clubs, Rotary Clubs, and Chambers of Commerce, but with questionable results. The basis of securing a hearing from the antagonistic is mild statement, concession, and sometimes compromise. The human factor in industry, liberal policies, the essential brotherhood of all, coöperation, and a certain identity of interest are the ideas which secure response; but these symbols have usually proved meaningless unless the workers possessed the power to put content into them. Mr. Dooley, the humorist, hinted at the truth when he answered Mr. Hennessy's question, "What d'ye think iv th' man in Pinnsylvania who says th' Lord an' him is partners in a cole mine?" with the comment, "Has he divided the profits?"

No one will deny that it is possible for labor in given cases to demonstrate to an employer that his self-interest can be accommodated by concession, or that, in other cases, sentiment may not

control the materialistic interests of the opposition. The shorter work-day has in some cases paid the employer dividends. Moreover, there is the employer who apparently will sacrifice for the sake of principle much of what may be considered self-interest. The direct-appeal method has possibilities; it is effective in some cases. But no general policy can be based on the goodness of men, for, although there are certain individuals with a quixotic idea of honor who are affected by principle, in the majority of cases self-interest determines the principle, not vice versa.

An additional difficulty in the direct-appeal method is that it places the opposition in the position of the arbiter, the judge. The person who addresses that group, if he is to get a hearing, asks them to use *their* judgment. He is more or less in the position of an apologist. Instead of asking the opposition to judge, he should question, if possible, their ability to do so. "What right," the propagandist should ask, "has the opposition to sit on my case, to measure my soft words (so couched because it gets a hearing from them), and decide, perhaps, that the group I represent are not as bad as they were thought to be? 'Upon what meat doth this our Cæsar feed that he has grown so great?'" Appealing to the opposition involves adopting the psychology of the apologetic, which is devastating to self-respect.

Those who feel that much has been accomplished through the direct-appeal method fail, too often, to analyze the results. It has not worked because of the method—the speaking, the compromise statement, and the like. Where it has seemingly accomplished results, they have usually been due in reality to the power of the workers to make concession pay. Labor can convince a Chicago clothing manufacturer whose shop is unionized of the justice of an eight-hour day more effectively than the owner of a Georgia cotton mill, who may be solicitous for his workers' well-being, but is not faced with a unified labor group that can damage him if he doesn't see fit to amend his ideas. Furthermore, when people allow themselves to be touched by appeals, they are likely to need reconversion when the appeal has spent its force; and if they give in on the basis of appeal they are likely to think that the concessions were made out of the goodness of their hearts. A little concession can make a man feel like a saint for six weeks. It assures him of his self-righteousness.

If there is any validity to these observations they indicate that as far as the opposition is concerned, propaganda usually has to be built not on appeal but on indictment. The indictment, however, must be neither too direct nor too obvious. Such propaganda pamphlets, for example, as *American Imperialism* by Jay Lovestone, Scott Nearing's *Oil and the Germs of War*, and similar writings, are examples of propaganda which fail in their indictment for lack of subtlety, if their purpose was to carry conviction to any one other than him who already believed or wanted to believe.

To see what can be done to indict the opposition successfully, it is necessary to consider illustrations outside the ranks of labor literature. An excellent example is Sinclair Lewis' book, *Babbitt.* It is obvious, of course, that realtors like Babbitt confine their reading largely to the headlines of the daily paper; they are not an intellectual class that reads many books. Yet the book has sufficient circulation among them and among outsiders to establish an inferiority complex within the group itself. An interesting proof of a new attitude on the part of these rather complacent citizens is such advertising as subsequently appeared in the newspapers affirming, "Realtor is a term of Distinction."

Labor could profit by using the same methods H. L. Mencken employs in his attack on prohibition, the yokel, the Methodist Church, the Ku Kluxers, and the American Legion. The success of "Americana" suggests that what is needed is real incidents from life which speak for themselves. No attempt should be made at comment. The very absence of elaboration and moral utterance pleases the reader. It tells him that he is competent to read and draw his own conclusions. It flatters him.

The point to keep in mind is that it may be possible to secure an audience more easily by indirect methods and clever description than by direct attack. It should be thoroughly evident to the labor propagandist that the public doesn't worry ten hours a day about him and his cause. The public is interested in the fables, actions, and gossip of its own crowd. If the story can be told in terms of its life and interests, a hearing is assured. The plea of labor that it can not get a hearing is a confession of incompetence. The real problem is one of cleverness, ingenuity, ability. Ordinary channels can be used for extraordinary purposes.

2. Approaching the Open-Minded

In carrying propaganda to the supposedly open-minded, the press stands out as one of the great channels of communication. Unfortunately for labor, this supposedly common carrier fails to render much service in espousing labor's point of view. This, undoubtedly, is due in large measure, but not wholly, to forces beyond labor's control. But most newspapers can and will use far more labor propaganda than they do if it is presented with the same news values that exist in other propaganda offerings. Of course here we face the battle of the press agent versus the editor, the one seeking to get into print and the other determined to keep him and his free advertising out. Yet by organizing public-relations departments and selecting men who have had experience in newspaper work, the public utilities are able to slip in news items containing not too obvious propaganda, especially on Mondays when news is light. The secret of getting into the press, even if one assumes it to be capitalistic, is to make labor activities so interesting that they are news and cannot be ignored. And much can be made news that to labor is but part of the deadly monotony of life. Moreover, when news is being sought by newspapers, labor should take advantage of the situation. Reporters too often testify that whereas employers treat them with consideration and the appearance of frankness and cordiality, many union officials greet them with vituperations and hostility.

An example of what has been done by labor to get news into the press is the Editorial Service of the League for Industrial Democracy, started in 1922, and conducted by Norman Thomas. Mimeographed sheets of four or five pages are sent out weekly to 130 labor and farm papers. Since the League desires to arouse discussion over production for use, this service approaches the labor and farming world, and in the discussion of problems such as the coal strike and water power it leads on to the theme of nationalization. A few metropolitan dailies such as *The World* have published some of this material, picking it up indirectly through clippings from farm or labor papers.

Aside from the newspaper, the open-minded can be reached through books, the drama, magazines of opinion, and short stories. Another channel of communication is the women's clubs of various sorts. Although in some cases these clubs are simply

centers for local items of interest, they form a fertile field for approach for that very reason. The officers are always in need of speakers to justify getting their groups together, and industrial ideas and personalities prominent in the industrial field are novelties to many of the members. Whereas a Bolshevik or communist of the American variety could hardly get a hearing before such a group, a Bolshevik from Russia would be a curiosity and would probably be received with open arms.

The L.I.D. has done excellent work especially with the teaching profession and the students. It has served to bring the worker to the intellectual. In *Public Ownership Here and Abroad*, for example, Harry W. Laidler convinces the reader that the facts, and not he, are speaking. This writer has a sense of fairness and intellectual honesty that wins friends. The L.I.D. today is doing probably the best single job in approaching the open-minded. Besides the editorial service run by Mr. Thomas, the League in recent years sponsored a study of coal and super-power and arranged addresses to tens of thousands of students and appearances before various business and professional clubs. Such studies as coal and super-power have taken L.I.D. literature out of the field of hazy exposition and made it a matter of special detail, which is far more effective.

To expand the channels of communication with the open-minded, some people advocate that labor try to capture the movie. The movie, however, is about as hopeless as vaudeville or burlesque; it is too popular. The screen will produce what the audience demands—in the main an affected, distorted idea of life, based on dreams rather than realities. The happy ending, just as it makes it necessary that the rascal be brought to his just reward, and the foundling find her lost mamma, will, when it reaches a labor theme, bring labor and capital into fellowship in the last reel, if it has to marry the daughter of a hod-carrier to the son of the millionaire.

The radio is more promising. The establishment of WEVD, a labor-Socialist radio broadcasting station in New York, promises an effective instrument of labor propaganda. The appeal to those whose interests are not definitely tied to the labor struggle must not be too obvious, or it will create opposition. Unlike the movie fan, however, the radio listener can cut in or out as he

sees fit, but he can not control the sending station with his admission money.

It might be added that if labor had confidence enough in its cause, it could secure enormous prestige among the open-minded if it did nothing more than give out statements of fact, accurate and scientific, and collected by trained people. This involves research—true research—but it might be worth the cost.

3. The Labor Group

Among the supposedly friendly, those who by position and experience should associate with their fellows in common action—the workers themselves—the publicity problems are not so difficult. Yet here is a field where, although much has been done, the propaganda is on the whole of poor quality. Propaganda has been literally thrown out rather than planned. Within given organizations there has been no unity of purpose, no program, little thought. Much of the material looks as if it were hurried to the printer on an hour's notice and as hurriedly set in type.

Although this propaganda for the workers lacks quality, it does show, however, considerable variety. Yet certain very fruitful fields of interest are still ignored. *Poems for Workers*, put out by the Workers' party of America, suggests one field of approach. Verses like "Caliban in the Coal Mines" by Louis Untermeyer and "Muckers" by Carl Sandburg are real and effective propaganda. The compilation of labor literature from the best writing of all nations and all times in the form of cheap books has been underwritten by the American Fund for Public Service indirectly through the Vanguard Press. This is a drive in the right direction. Moreover, the many pamphlets on labor and politics that are now issued demonstrate that political campaigns offer an opportunity for evangelism and periodic education; but to utilize this opportunity to the utmost, labor must first develop a political party of its own.

It may be well to point out, also, that much propaganda is effective among workers that simply arouses a feeling of enmity and closes the mind of the listener to the arguments of the opposite side, although such propaganda has obvious long-run shortcomings. Certainly war propaganda demonstrated that a group could be welded by appeals to truth or prejudice. Likewise, the constant talk about "the enemy," "the capitalistic press," "the

exploiters of women and children," helps to set up in the mind of the worker an automatic defense reaction against anything said by or for the opposition. The trouble with this method is that although a fighting spirit can be kept up by closing the mind and depending on the stubborn qualities of ignorance, the victim is never really a safe follower. He lacks the ability to meet new situations and new ideas, and if the opposition gets a different idea under his tough skin, he may turn on his former exploiters with all the unreasoning bitterness which they in the first instance taught him.

Such a publication as the *Amalgamated Illustrated Almanac* uses art to serve the purposes of labor; it suggests the question: Can labor develop a culture of its own which will serve not only to solidify its ranks but also to challenge the prestige of the existing culture?[1]

There is nothing in the nature of art as it appeals to the senses to prevent it from stressing particular themes. Just as the masterpieces of the French classic tragedy proclaim on every available occasion the sanctity and justice of Louis XIV, so an artist may support the labor cause. Indeed, artistic skill may be so great in some cases that an apt falsehood may travel ten leagues before truth can put its boots on. Perhaps Rousseau offers a classical example of this. Although many of his ideas were based on doubtful *a priori* assumptions, still his literary art gave such currency to his ideas that he became the apostle and guide of the violent party of the French Revolution.

The problem is double: First, the well-to-do must be made

[1] The *Amalgamated Illustrated Almanac* is the outstanding propaganda achievement directed to workers during the past few years. The story of the Amalgamated and the labor movement in America is written by such people as Hillman, Herwitz, Schlossberg, MacNamee and others, while Ruth Stark, James Harvey Robinson, Charles Beard, Scott Nearing, Upton Sinclair, and a few clever wags writing anonymously give it observations on history and life that are authoritative, serious or humorous. It contains, also, caricatures, reproductions of works of the masters in painting and sculpture, cartoons, and examples of various eccentricities in design.

The illustrations are more effective, perhaps, than the articles, for two reasons: First, the problem of internal unity in a group of many diverse nationalities is effectively approached, not by ignoring the problem, but by assembling photographs of the Lithuanian, the Pole, the Hungarian girl, the Jewish presser, and others, under the title, "The Amalgamated League of Nations." Many of the pictures show the person at work—the common tie. Secondly, the use of the works of Ferdinand Hedler, Rose O'Neill, Gustave Doré, Auguste Rodin, I. J. Reping, L. E. Barrias, Sepp Frank, B. J. Martens, Honoré Daumier, and others gives an international flavor to the *Almanac* and demonstrates that the arts can contribute to the cause of labor.

uncomfortable in their artistic appreciation. Secondly, prestige must be given to the popular forms of expression which may develop entirely out of a working-class *milieu*.

What the workers need in the field of art is courage—the boldness to assert themselves as a class. An example of art which proceeded from a distinct group is the negro spiritual, equal to the better accomplishments of other groups. The questions to be asked are: Cannot the workers' lives, their own environment, rather than that of kings or queens or high society, be the subject matter of creative work that will instill into them pride of self and their fellows? Is there not among them a language, a different life, a different reach and emphasis, that can be the basis of art? Cannot workers be patient and respectful of the work that proceeds out of their own group? Cannot a culture of their own be developed which will stand favorable comparison with the traditional? In addition to the negro spiritual, the Yiddish drama as developed in New York is not without point. If such contributions can be made on the basis of distinct experience and environment, then it is possible that proletarian culture may prove a method of creating pride and solidarity among workers.

Some one has observed that "in the United States there is no proletariat; every worker thinks he is a capitalist in embryo." Perhaps this is but a half truth, but it has to be recognized. One reason, and it is, of course, but one, that workers feel like "capitalists," is that they do not have an opportunity to be proud of their class, to express themselves through it, to secure cultural association among their fellows.

No one who has interested himself in workers' education goes very far before he comes face to face with the fact that workers want to develop the ability to appreciate the arts. The girl who carried the banner, "We want bread and roses too," in the parade of the textile workers during the strike at Lawrence, spoke more eloquently than either she or hundreds of thousands of the less articulate realize. A demand is there, although vague, ill defined. In some cases the workers' colleges have recognized this yearning. There is definite evidence at Bryn Mawr in the summer-school schedule; less, perhaps, at Brookwood. Presumably one of the reasons why there is not more is the difficulty of getting roses of the right variety; but there need be no fear

that, properly selected and taught, the arts will educate the workers out of the labor movement. They can be a means of cementing to the movement those who might leave it because of the drab monotony of day-to-day activities, the incessant wrangling and the petty manipulations which exist for political reasons in the ranks of unionism no less than in other forms of organization, and which, at times, tend to obscure goals and to make one question whether loyalty and effort are worth while.

One of the arts, the drama, seems to be developing among the ranks of labor. Dramatics are now being taught at Brookwood. One student has written a play which is not without merit. The successful staging of Hauptmann's *The Weavers* by two labor groups, and of Galsworthy's *Strife* in another case, is a hopeful sign of an enlarging conception of what propaganda can be. *The Hairy Ape* by Eugene O'Neill, *Gaius Gracchus* by O. Gregory, *King Hunger* by Andreyev, and various plays by Ibsen, Shaw, Maeterlinck, Carpenter, and others, could be used. Nor should the themes be limited to the tragic, the bitter, the antagonistic, the depressing. Within given groups, labor should express its foibles, its differences—learn to laugh at itself. Humor is necessary to keep people human, and humor directed at the idiosyncracies within a group is often a necessary step toward getting together and working together.

4. Conclusion

In conclusion, it is well to realize that little can be done by way of propaganda unless there is first a recognition of the fact that propaganda is a distinct function of the labor movement, and each organization should provide for that function's performance by a definite department or individual. Specialization in management is needed in the labor movement as well as in business, and the work in propaganda should become the responsibility of a particular person or group who should, as far as possible, be chosen on the basis of ability for that kind of work, and be relieved of other tasks. Then the propagandist should keep his audience constantly in mind. Is his group one whose self-interest is opposed to the interests of labor, or is it one whose self-interest is not directly tied up in the labor struggle? Perhaps he is speaking to his own group, those whose interests are served by the program he suggests. Each situation suggests a

different method of approach. But whether employers, college professors, or workers be the audience, the aim should be to tie up the approach intimately with the experience of the reader or the listener. The propagandist, to be successful, must be objective. He must put himself in the shoes of his audience, see with its eyes, hear with its ears, and feel with its nervous system. Moreover, since those things interest us most which are directly in line with our experiences, he must study the experiences of his audience and shape his appeal in terms of similarity to that which they already see, believe, and do. What may be successful with one group may be a failure with another; and within groups his appeal must envisage more of life.

If labor organizes effectively for carrying on propaganda, or shall it be called *education*, and if it can adopt an objective rather than a subjective point of view in its methods and expression, then it would seem that nothing in life that is worth while—art, literature, science—can escape making a contribution.

WILLARD E. ATKINS.

CHAPTER XXXVI

REALITIES IN WORKERS' EDUCATION

The aim, the purpose, the curriculum of workers' colleges have kept advocates of workers' education in America arguing to the breaking-point. What the American worker expects of the class to which he comes after a full day's work has been given but scant consideration in comparison with the hours of discussion devoted to what he ought to expect. These disputations have not been entirely sterile; they indicate that labor education is still in the dynamic stage. Nevertheless they have not brought students in great numbers to workers' colleges, nor have they always given to those who have come what they really wanted. This failure is due in great part to a reluctance on the part of the proponents of workers' education to take sufficient cognizance of the psychology of the American worker and of the social and economic conditions in this country which shape his attitude of mind.

There is perhaps nothing more characteristic of American psychology than its faith in the magic power of education, especially public education. The little red school house, and now the State university, full to overflowing, is the grand symbol of American educational opportunity. Our attitude is touchingly uncritical. The learner need only be exposed to the buildings, the teachers, the atmosphere of the school, and somehow, by a process of painless absorption, he will acquire an education which will prove an open sesame to all that makes life worth while. This childlike faith, this uncritical acceptance of curriculum, is reflected to a great extent in the field of workers' education. The worker student longs to be initiated into the sacred mysteries of the school, from which he has been excluded by the necessity of going to work at an early age. For the most part, he wants his workers' classes to be as nearly like "the real thing" as possible.

I recall a workers' class in English composition, where the industrial and social experience of the student was made the subject matter of theme and speech. Matters of technique and grammar had been taught indirectly, properly subordinated to

content. Quite accidentally, a question of grammar came up one evening. The teacher, much against her will, had to digress for several minutes to explain the grammatical principle involved. "This," declared a middle-aged molder, "is what we want! We want to learn this grammar business—every bit of it, so we won't be ashamed to open our mouths." And the murmur of assent that arose from the entire class showed plainly that the speaker was voicing the sentiments of the group. This well-intentioned teacher, who, for weeks, had been straining every nerve to keep from being "academic," found that realization came to her students in the mastery of grammar and sentence structure. Now, in this case, the teacher was, in the main, pedagogically right, and the students were wrong. She was, according to sound theory, endeavoring to motivate expression, but it would have been fatal to ignore the great desire which her students felt to be initiated into the mysteries of English grammar. It was wiser to leave for a while the larger units of composition. The conquest of the smaller or technical problems gave the students a sense of accomplishment. Expression is intangible, an acquirement toward which the student works for a lifetime. The discouragements are many; the results not easily discernible. The joy which came to those student workers when they demonstrated to themselves their skill in converting adjectives into adverbs was touching, but the sense of accomplishment which they experienced made a return to the larger units of composition more intelligible, and hence easier. Many a teacher of workers' classes, who has struggled in vain to make the student realize that his industrial experience is a rich source from which to draw material for writing or speaking, has come to realize that the obstacle in the path is the worker's fear that he will disgrace himself by an error in grammar or choice of word, and this fear can only be removed by acceding to the student in his request for some training in formal grammar.

With the ultimate aim of workers' education expressed variously as an attempt to supply the kind of training which would help the student to bring about a better social order, there need be no quarrel. The differentiation between adult and workers' education, though still unformulated for the most part in the minds of many teachers of workers' classes, has been stated and can be accepted. The responsibility of providing schooling for those who are seeking a way out of industry by means of education can

be placed on the public schools. Workers' education should concern itself, let us grant, with those who are willing to be the apostles of a new order. "Labor education," says Mr. Horace Kallen in his recent book, *Education, the Machine, and the Worker*, "should become conversant with control rather than escape." To that end, he declares, "labor education should be endowed with at least the same technological and intellectual equipment as ownership and management. . . . The problem of labor education is how successfully to lay bare and trace, step by step, the ramifications of connection which the use of his tool brings the worker into . . . the ramifications of connection which his materials bring the worker into . . . the ramifications of connection which the coöperative interdependence between industrial workers imposes on each other." In other words, a relevant labor education, according to Mr. Kallen, would familiarize the worker with all the technical problems of his industry and with the problems of his relation to his fellow workers, so that ultimately he and his group could safely assume the control and direction of industry. This is indeed an objective which those who have analyzed the difference between adult and workers' education would be willing to accept. It is an objective, however, which is based on the assumption that the worker is class-conscious.

As a matter of fact, besides the groups of foreign-born, there are precious few workers in American industries who are class-conscious, and as a result of the recent restrictions in immigration, these groups are destined in coming years to become smaller and less influential. Obviously these small groups, scattered here and there in the vast army of American workers, can not effect so great a change in our industrial order as is implied in workers' control. If any appreciable change is to be made, workers' education must somehow capture the imagination of, and bring into its classes, the greater number of American workers, who are still plying their trades in blissful unconsciousness of the class struggle.

"You make me tired, Rebecca," a student worker from a southern textile mill was overheard saying, in a resident workers' college. "To hear you rave, anybody'd think there was no such thing as a good boss. Why, I have a wonderful boss."

"What's so wonderful about him?" inquired the left-winger from New York City.

"Why, I'm working in his mill," was the sentimental reply,

"where my mother worked thirty years ago, and he gave me a job when I was only twelve years old."

And Rebecca beat a retreat to the farthest end of the campus, where, in the shade of a venerable oak, she held forth to a sympathetic group on the hopeless docility of the American-born worker. Curiously enough, it was one of this group of hopeful crusaders who was later heard inquiring about the relative merits of normal-school and college training. She had had a good education in the old country. On coming to America she had been obliged, because of her language handicap, to accept a manual job, in her case, millinery. But she was rapidly getting her credits accepted at the normal school in her city, with a view to entering the teaching profession. Apparently, even the foreign-born worker with his clear conception of the class struggle can not be relied on to stay put. Now all this does not constitute an indictment of the American worker. There is no particular virtue in class consciousness. It is not an end in itself; it is a means to an end. There is no crime in seeking an escape from a monotonous job which gives no play to the creative impulses. It is, however, the prospect or the illusion of escape by way of education which is the very crux of the problem in recruiting students for workers' classes. Some labor colleges have met this problem by allowing great flexibility in the curriculum and have thus attracted greater numbers to their classes. Others have been willing to forego large enrollments in order to adhere more strictly to courses of a definite labor slant.

In workers' education, as in any other type of education, aim and curriculum are, of course, interdependent. Some people maintain that a labor school should offer only one course, economics, with the possible addition of social history, but only in so far as that will furnish a background to economics. This group views with growing apprehension the worker students' preoccupation with purely cultural subjects. And their fears are not entirely unfounded. Workers' classes in literature, public speaking, and psychology are notoriously larger than classes in economics or social history. At the other extreme, we have those who would devote a large part of the curriculum to the cultural subjects. The worker's life is drab, they argue. He has a right to the kind of education which will increase his enjoyment of life. He can not "live by bread alone" even when that bread takes the attractive

form of "control of industry." They quote in triumph Mr. Richard Mansbridge and Mr. Illtyd David of England, who, when questioned on the subject of curriculum, always say: "In Britain, we give the workers courses in whatever subjects they choose—literature, economics, science, pottery, and what not."

The English situation is not entirely analogous to the American. Labor colleges in England can well risk giving a large place in their curricula to cultural subjects. Indeed, it is incumbent on them to do so. In the first place, England has nothing comparable to the extensive system of public education which obtains in America. Many workers, attending labor classes in England, would, in America, be working their way out of the artisan class by way of the public high schools, the municipal colleges, and the State universities. In the second place there is far less danger of diverting the class-conscious English worker by cultural subjects from interest in industrial reform.

On the other hand, the worker is a human being with the spiritual needs, the aspirations, and the dreams of others of the human species. To make him a machine turning out social reforms is not to render his life any happier or more complete than when he was a machine grinding out bolts and rivets in the foundry. Indeed, it will impair his usefulness in the "movement." The fanatical worker student, rigidly denying himself any indulgence, presents to his classmates a most unlovely spectacle and is often an eloquent example of the kind of life to avoid. Those who have had much experience in workers' classes will admit that frequently the rigidity of the anointed Marxian is as great a barrier to progress as the docility of the unconscious wage-slave. One insists on his own brand of economics; the other is frankly bored with the subject, and the latter type is representative of the greater number of American workers. For them economics holds no romance. It savors of the shop from which they are seeking escape. "Production" suggests "more shirts"—something the boss is always talking about.

Instead of ladling out the conventional courses in economics and the social sciences, why can not labor education visualize for its students what one writer has called "the unsolved problems of society"? Why not lead him to the realization that in the social sciences lies the solution of the great problems of society? Why not make him feel that here lies his special field of service?

The worker, like any other healthy individual, likes to feel that there is some social significance to his job. Perhaps to a greater extent than any other member of society, the manual worker sees very little in the tiny operation he performs that has any bearing on social movements. There are in the American worker great potentialities. Zeal for social reform is lying latent within him. He needs to have organized for him a crusade, or a revival, launched neither on the slogans imported from abroad nor on the hundred-per-cent. banalities of the Rotarians.

Advocates of workers' education must have the courage to face the realities. Their approach to the problem must be pragmatic. Given a fairly contented working-class, actuated by certain definite motives and longings and organized to a certain extent in conservative trade unions, how best can it be trained for that time (which seems to many still in the distant future) when it shall assume greater control of the industrial order in which it finds itself? Schools, it must be remembered, usually reflect the civilization of their day. Workers' schools find themselves environed, in part, by the American labor movement, which is certainly not making voluble declarations of "class consciousness." Obviously, workers' education, which incurs the opposition of organized labor, is going to have rough sledding. Instead of expecting American workers at this stage to be making contributions in the nature of graduate studies, labor education should be content if it can stimulate groups of workers all over the country to a genuine interest in study, definitely pointing toward significant industrial changes. It should formulate with the worker a curriculum which will integrate literature and psychology and science and in which eventually the social sciences will be central.

We are warned against organizing workers' education which shall appeal to workers as an escape only; we must be equally wary of making workers' education an escape for "intellectuals" seeking surcease from the established schools which they have come to distrust. To avoid both horns of this dilemma, we must, in formulating workers' curricula, take increasing cognizance of the psychology of the American worker and the society in which he finds himself. We must let curricula develop in accordance with the changing conditions of American industry.

LILLIAN HERSTEIN.

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APPENDIX I

A CENSUS OF LABOR OPINION

An Inquiry Into the Mind of Leaders of Labor and Labor Students of Conducted by the American Labor Problem Associates

Summary by *Helen D. Hill*

The census was taken early in 1926 and the replies reflect the opinion of the receding wave in the labor movement which followed the deflation of post-war industrial radicalism and the breakdown of the La Follette third-party movement. The questions of the census were submitted to "leading people in the field, who have either actively participated in the labor movement, or have studied labor events, and whose judgment may therefore be considered relatively expert."

1. The Inquiry Into The Labor Mind

1. What do you consider the most important problem confronting the organized labor movement in the United States today? Is this problem peculiar to the American labor movement? If so, what causes are responsible for its rise?

2. In what ways, if any, is the American labor movement different today from what it was before the World War?

   A. If there are differences, to what specific causes or developments may they be attributed?

   B. If there are no differences, would that indicate a state of stagnation or, to the contrary, a healthy state of affairs?

3. The American labor movement has thus far concerned itself with economic action, entering politics indirectly through the medium of other political parties. Are there any indications that labor in America will develop an independent political program and movement in the near future?

4. Labor has taken up workers' education. Do you think that workers' education should have an essentially different function from that of general adult education? If you do, how would you describe the objectives of workers' education?

5. The trade-union movement has recently entered a variety of ventures such as labor banking, coöperative home building, participation in management, and responsibility for production, such as the B. & O. Plan. Please give your opinion on the following points:

   A. Whether or not such ventures are likely to divert needed labor energy from other more direct trade-union tasks and cause a slackening there?

   B. Whether or not the point of view of labor is likely to be affected by the new activities, and if so in what manner?

Approximately 1400 questionnaires were sent out, about 1100 of them to those listed in the *American Labor Who's Who*, and the remaining 200-

odd to members of the American Economic Association who teach labor problems. To these we received 146 replies, or about 1 in 10, a gratifyingly high average for this type of circularization. Fifteen of the replies were acknowledgments, not answers, sent in because the person addressed, as in the case of Actors' Equity or the Manumit School, felt that his connection with the labor movement proper was insufficient to warrant offering an opinion, or because absence from town or from the country prevented a reply from being returned within the time limit.

Fifty-two cities, not counting suburbs, were represented in the replies, in 25 States, the District of Columbia, and Canada. Seventy-two organizations were represented, grouping all universities and all newspapers under single heads. Membership was distributed as follows:

Universities and colleges, 22; Labor colleges, 14; American Federation of Teachers, 5; Teachers' Union of New York, 4; Wisconsin State Board of Vocational Education, 1.

Periodicals (all but 2 definitely labor organs), 22; International Typographical Union, 8; Press Writers' Union, 2; Newspaper Writers' Union, 1; Pressmen's Union, 1; New York Printing Pressmen, 1; International Association of Machinists, 7; International Brotherhood of Electrical Workers, 2; Steel Workers' Union, 1; International Longshoremen's Association, 1; Brotherhood of Maintenance of Way Employees, 1; Brotherhood of Railway Trainmen, 1.

United Mine Workers, 1; South Wales Miners' Federation, 1; Granite Cutters' International Association, 1; Tobacco Workers' International Union, 1; Brewery Workers, 1; American Flint Glass Workers, 1; Amalgamated Clothing Workers of America, 5; International Ladies' Garment Workers, 1; Shirt and Boys' Waist Makers' Union, 1; United Garment Workers of America, 1; New Bedford Weavers' Union, 1; Boot and Shoe Workers, 1; Haverhill Shoe Board, 1; United Leather Workers, 1; United Brotherhood of Carpenters and Joiners of America, 1; Amalgamated Society of Carpenters and Joiners, 1; American Federation of Labor, 1; Pennsylvania Federation of Labor, 1; Wisconsin Federation of Labor, 1; Alabama Federation of Labor, 1; Birmingham Trades Council, 1; Grand Fords Central Labor Body, 1; Fresno Labor Council, 1; Champaign-Urbana Federation of Labor, 1.

United States Department of Labor, Woman's Bureau, 1; United States Commissioner of Labor Statistics, 1; Library of Congress, 1; Federal Employees, 1; Labor Bureau, Inc., 3; National Bureau of Economic Research, 1; Russell Sage Foundation, 1; Bureau of Business Research of Harvard, 1; National Catholic Welfare Council, 1; League for Industrial Democracy, 3; Women's Trade Union League, 3; Coöperative League of the United States, 1; Treasurer of the West Virginia miners' relief, 1923, 1.

American Home Builders, 1; Airy Hills Co., Inc., 1; Banker, 3; Lawyer, 3; International Labor Defense, 1; Actor, 1; Author, 3; American Federation of Musicians, 1; Society of Industrial Engineers, 1; Public Accountant, 1; Brotherhood of Statisticians and Accountants Union, 3; Hobo organizer, 1.

Socialist Party, 7; Socialist Labor Party, 1; Trade Union Committee for Organizing Negro Workers, 1.

We have no illusions about our 100-odd samples being representative, and we have no blind faith in the numbers we have given being valid. When an answer mentions a number of points it rests with the individual sorting it to decide where the emphasis lies, and had some one else worked through the replies the results would undoubtedly have shifted.

A disturbing number of replies testified to the sectionalism of American labor by making the thing that they were connected with the solvent for all of the problems listed. It is very logical, of course, for a member of the Brewery Workers to list, under Question 1, "Prohibition, on account of the hypocrisy connected therewith"; objection comes when "class consciousness" or "Rochdale coöperation" recurs with every answer. Far fewer, but equally difficult, were the camp-meeting exhortations called forth, for example, by Question 2B: "These differences indicate neither stagnation nor healthy conditions. On the contrary, bring offenses, but woe unto the ones who bring offenses. The 'Material World' (labor movement) like the 'Spiritual World' (church movement) is full of Judases. The labor movement can regain its health, not by expelling those who differ; not by its eternal endeavor of 'analyzing,' but, I should say, by the use of the process of 'synthesis.'" Or by Question 5: "For as long as the working-class as a whole feel or believe that they have a material interest in maintaining this present social system, so long, obviously, will they be deaf to the educational plea of those who, perceiving the viciousness and anti-social character of capitalism, seek to organize the working-class for the termination of this social crime, this social system of anarchy in production and consequent exploitation and misery of the vast majority of the people in the world." The subject was labor banks.

Question 1: *What do you consider the most important problem confronting the organized labor movement in the United States? Is this problem peculiar to the American labor movement? If so, what causes are responsible for its rise?*

Forty-four replies state the problem as more organization and regard it as "very largely peculiar to the American labor movement. Causes speculative, but include economic opportunities for individuals, racial and language divisions of workers, immigration, vigor of American capitalism" (George Soule, Labor Bureau, Inc.). Lists of basic industries and groups needing organization include the negro (5), steel (4), textiles (3), semi-skilled and unskilled (3), auto (2), the South (2), and (1 each) oil, electricity, public utilities, packing, rubber, bread, coal, railroad shops, workers in company unions, women. One desires organization for collective selling as well, 1 suggests an appeal to young workers, 1 to local officials for increasing membership. One wants organization on a large scale and industrial basis, and 5 call attention to the unsatisfactory character of the craft type, strongly put as follows: "The American labor movement may be termed such by courtesy only. Rather it is a skilled craft movement. With the exception of the miners, some of the building-trades workers, and a few railroad workers, the labor movement may be described as a group of highly individualistic, jealous, and separatist organizations to protect the craft interests of a small minority of workingmen. I have no explanation to offer other than the conventional reasons, i.e. the frontier, the diversification of tongues and races, lack of class feeling, relative prosperity, narrow craft selfishness, etc. Many of these reasons' being peculiar to America make the problem unique" (Harvey

O'Connor, *Brotherhood of Locomotive Engineers' Journal*). In connection with this, 1 answer cited jurisdictional disputes as the greatest problem. Directly related, too, are the 9 replies dealing with industrial unionism. One states it as "solving the problem of how far the principle of industrial unionism can advantageously be adopted by the A. F. of L., having in view the greatest good to the greatest number" (Maynard Shipley, author); another says it is a choice between amalgamation and further dispersion into rival sects.

Company unionism and its relation to trade unionism was selected by 12 as the problem; specifically, "To get by the barrier erected by the employers in the metal industries and extend the union organization. To do that, unionism will have to convince the general public and at least a part of the employers that it is capable of making a constructive contribution to better management. Unless unionism does that, the claims of 'welfare capitalism' with its industrial representation plans and personnel management will really go unchallenged. American capitalism has shown a greater subtlety of fighting technique than European capitalism by devising the company union and the welfare policies that go with it and giving them mass application. American labor will need the aid of the public (as John Mitchell had it in 1902) to have any chance at all of spreading into the machinery and metal industries" (Selig Perlman, University of Wisconsin).

Three replies on productivity are interesting: [The problem is] "a standard by which efficiency can be gauged to stem the constant demand of employers for more and more" (P. J. Conlon, I. A. of M.). "With our restricted immigration and hence quasi-monopoly held by labor, how to increase output to match the high wages now paid. I favor high wages *plus* high output" (James E. Boyle, Cornell University). "The issue as to whether labor is to take any responsibility for production standards, for prosperity and efficiency in industry, or to insist, as, for example, John Lewis does, that labor has neither competence nor motive for doing so" (Edward T. Devine, editor of *The Survey*). Five others are interested in the participation of labor in management, 1 as cutting unemployment, 1 as affecting the rank and file, 1 "to the end that organized labor will become a constructive force as well as a militant group seeking to obtain a larger share of the national dividend" (John W. Riegel, Bureau of Business Research, Harvard University), 1 because "the defeat of the open-shop movement brought about general social recognition of the A. F. of L. as an indestructible and desirable American institution. With this recognition has come an unconscious effort on the part of the more intelligent employer to deal with the unions on a sounder economic basis than that of strikes and lockouts; this means statistics and facts. Unions are thereupon compelled to meet the employer on this new field, and as a result there is a widespread development on toward improved finances, and improved financial and statistical records, all of which represent a very far-reaching development not apparent on the surface" (Walter M. Cook, public accountant). Further, "the most important problem confronting the organized labor movement in the United States is to get

itself established or recognized as a normal part of the industrial relations; the organization of the steel industry, the textile industry, the West Virginia coal fields, etc., are only part of this larger problem" (Alfred Baker Lewis, Teachers' Union, Socialist party organizer).

Along with the desire for organization goes a recognition of some adverse conditions within the ranks of labor; 7 point to the seriousness of apathy in leaders or rank and file. "The most important problem confronting the labor movement in America today is how to wake the worker out of his present coma, how to make him see and feel the need of revitalizing and building this labor organization along industrial lines that he may keep abreast of the times and effectively meet the ever-merging forces of trustified capital" (Esther Friedman, Rand School, L.I.D.). "The most important problem confronting the organized labor movement in the United States today is unquestionably the general apathy of the public in general and the workers in particular. While this may be true of many other countries today, the condition is peculiarly intense in the United States. This is shown not only by the decline in the membership of the American trade unions but also by the attendance at union meetings and interest in public questions in general. The causes are probably numerous. These conditions may be described as due to the comparative prosperity now prevailing, the fairly high wage rate, the various amusement attractions such as the movies, radio, and the automobile, and, perhaps of greater importance, the tremendous development of industrial welfare schemes throughout the United States which act as a deterrent to union organizations" (James H. Maurer, President, Pennsylvania Federation of Labor).

The conscious formulation of a labor philosophy and policy is felt as a pressing problem by 11, to give labor confidence and educate for leadership through a press, to integrate labor at home and provide for affiliation with international labor, to withstand Fascists and Communists, to lead to political action and to the organization of the unskilled, to fill "the need for a 'spiritual' driving force, based on a more definite conception of labor's goal in controlling industry, correlated to the present trench warfare of the workers for hours, wages, and 'conditions,'[1] largely peculiar to our movement. Three leading causes: (a) economic, the fact that the American worker did see the possibility of 'escape' to a higher economic class or level and that on the whole economic opportunity was comparatively great for him here; (b) 'radical' propagandists' stupidity in talking in foreign 'Jabberwocky' rather than in terms of American conditions; and (c) American education (of all classes) to distrust any-

[1] In connection with the statement of the need of a philosophy one is tempted to transfer the following reply, given under Question 7D, as a footnote to this section: "American labor morale is an uncertain thing. It needs some underlying philosophy which people will be willing to fight and lose for. In general, American labor will fight for wages, hours, etc., but in the same grasping way that an employer will for profits. In defeat it does not find solace in a philosophy of industrial life that to the workers is worth defending for itself alone" (Willard E. Atkins, Washington Square College, New York University).

thing European (note opposition to League of Nations, World Court, etc.)" (Louis F. Budenz, managing editor, *Labor Age*).

Scattering answers which fell outside the field of organization and its related problems:

Labor in business (6), with 2 unfavorable to business and profit psychology; the passage of the Child Labor Amendment (1); immigration (1); anti-injunction legislation (2); legislation defining legal status of American labor (1); the courts (1); compulsory unemployment insurance like accident insurance (1); nationalization of coal (1); establishment of a third party (9); coöperation of labor politicians and exploiters on red scare (1); meeting Communist propaganda (2); Fascist organization (1); international affiliation (1); compulsory military training (1); relation of black and white labor (1); dual unionism (1); method of settling wages and disputes without strikes (1); understanding of the rights of the public and limitation of trade-union demands and success (1); use of leisure (1); workers' education (5).

Question 2. *In what ways, if any, is the American labor movement different today from what it was before the World War?*

A. *If there are differences, to what specific causes or developments may they be attributed?*

B. *If there are no differences would that indicate a state of stagnation or, to the contrary, a healthy state of affairs?*

Eighteen people think that there is not much difference; a few add except for business ventures (3), internal strife (1), lessened enthusiasm and faith, but more fundamental ideals (1). "Labor is not now so much against war, for participation therein might be essential for self-preservation" (James Duncan, First Vice President, A. F. of L.).

The replies of those who notice a difference are scattered. After reading them one is inclined to agree that "the redistribution of workers and the 'resizing' of industry has caused a great deal of confusion and turmoil" (Isaac Ash, Ohio University). An uninterpreted list of the facts and events which seem to have been most in people's minds attributes the differences "(a) to widespread prosperity, improved living standards, individual surplus, collective financial power; (b) to world movements, especially the growth of European organizations of labor, the Russian Revolution, British labor party, etc." (Paul Wander, research worker).

Seven say that labor is without a policy and satisfied with prosperity, 6 that it is more conservative, 3 that it is less militant, 2 note the loss of members, 1 the growth of company unions, 6 look for the causes of post-war apathy: "Prosperity during the war, patriotism, and the Red menace campaign. Superiority of compensation over European workers. Loss and reconciliation to loss of post-war strikes. In those industries that have become large-scale organizations, lack of difference also means stagnation" (H. S. Raushenbush, research worker). "Nationalism rampant during the war; we are yet suffering from its hysteria. Failure of the A. F. of L. and others to take into account the accelerated machine development during the war and its displacement of workers. Stagnation,

lack of proper education in unions, sectionalism, color prejudice, race, nature sons, Ku Kluxers, Knights of this and Deys of that, Order of the golden gander, anything to confuse the workers. Lack of proper labor press. Propaganda in press, pulpit, theater, art, everywhere" (Donagh F. O'Dwyer, A. C. W. of A., editor of *Irish People*). "It is different only to the extent that after-war psychology has affected the general population—disposition of members to take 'devil-may-care' attitude toward life, reaction against such duties as attending meetings, etc. State of general apathy probably only temporary and destined to wear off pro rata with post-war psychology. However, such a state will be more or less prolonged by employing interests coddling the workers with alleged welfare work, including cheap insurance, shares of stock, clubhouses, etc." (Herbert M. Merrill, I.B.E.W.).

Two think that the passing of Gompers leaves the movement unable to continue his opportunism and without a program; 1 that faith in mankind was lost in the war; 1 that the movement has lost its soul; 1 that it is more selfish after seeing profiteers; 1 that the loss in idealism is not compensated by increased practicality; 1 that labor bears the United States' post-war burden; 1 that the worst is over.

One thinks the movement is more sectionalized, while another thinks the coöperative spirit better developed. Four regard American labor as internationally more tolerant, while 1 thinks it has lost sympathy with workers abroad, 1 that it is more American and less socialistic, while 2 say that socialism and trade unionism must join; 4 note tendencies to political action, of whom 1 attributes it to economic disillusionment accompanying deflation. One points to the rise of communism; 1 to rank-and-file discontent; 2 think the right-left division and its increased sharpness bad.

One holds the immigration law responsible for some differences; 1 thinks it boosts the unskilled worker, while 1 comments on his indifference in leaving the unions after the war. Two cite foreign competition and the effect of power machinery; 1 thinks the movement weaker "due to the greater unity and economic power of the exploiters and to the static labor leadership and policies" (E. R. Meitzen, I.T.U.). One who emphasizes the business side says: "The specific reasons for the differences in the American labor movement now and before the war are the decline in immigration, the more extensive use of scientific management and machinery, and the development of the United States as a distinctively creditor country. At the same time there has been a decline in the belief that industry can be cured by political action and more emphasis is placed on industrial democracy in its various phases. This seems to be due partly to foreign experience and partly to our own" (R. A. McGowan, assistant director, social action department, National Catholic Welfare Conference).

Two think that no progress can come till industrial replaces craft unionism. On the other hand 3 think industrial unionism has advanced, influenced by the A. C. W. of A., etc., and 1 regards the invitation to organize the Nash plant as an indication of a more recognized position on the part of labor. Two regard the movement as less complacent;

4, the leadership as more intelligent; 1 sees a rapprochement of leaders and intellectuals.

One coherent group of answers centers around the new strategy. Four think labor has sounder business ideals and fewer visionary ones: "The movement, though it has lost in strength and zeal, has gained in shrewdness. Increasing tendency to make use of scientific methods, and to lay stress on education rather than propaganda" (Harold Brown, Commonwealth College). Three believe it keener for higher standards since the war: "Government wage-setting with its emphasis on changes in living costs, standards of living, and productivity has brought the labor movement to a greater study of its own social significance. There is a quickening of interest in research, education, etc., with great increase of activities carried on jointly by employers and unions. Arbitration machinery, production standards, unemployment insurance, etc., instance such cooperation" (E. L. Oliver, A.C.W.A.). One thinks that this makes labor more sympathetic to big business, 1 that labor plays politics better as a result of war contact with profiteers. Four consider the movement more vital, militant, and advanced: "It is more aggressive, more militant, more effective. A better understanding of organized labor on the part of employers, resulting from contacts and experience during the war period. They have learned that well-paid, fairly contented workers are an asset rather than a liability even to the captains of industry" (James W. Mullen, I.T.U., editor of the *Labor Clarion*). Three other replies are worth giving in full: "Prior to 1915 the unions depended entirely on their own strength to secure their advances. Since then many are depending on legislation and other agencies for their protection and advancement. A few are realizing the need for securing skilled technical advisers" (Robert Fechner, I. A. of M.). "Labor is now more interested in the technique of business and industry. This is due to (1) the necessity for finding new sources for increased wages, (2) friction with scientific managers" (Paul F. Brissenden, Columbia University). "With millions of new members hastily recruited, with labor leadership invited to sit in the councils of government and to participate actively in industrial administration in the interest of uninterrupted mass production of munitions and war-time essentials, labor acquired a new psychology, one of self-importance and confidence. It expected a degree of recognition in the post-war society, but its expectations were rudely shattered in the deflation period. Nevertheless the newly acquired psychology and habits, embryonic though they may have been, developed a new outlook and vision as well as perhaps a new sense of confidence in its ability to use new strategy. Witness the developments in the field of business ventures, union-management cooperation, etc." (Clinton Golden, I. A. of M., field representative, Brookwood College).

Question 3. *The American labor movement has thus far concerned itself with economic action, entering politics indirectly through the medium of other political parties. Are there any indications that labor in America will develop an independent political program and movement in the near future?*

After reading the answers submitted to this question, one is tempted to summarize them in terms of Mr. Leo Wolman's answer (A. C. W. of A., New School for Social Research): "Hard to say. But categorical answer would be, no!"

Of those who voted yes and no without explanations, 29 negatives outbalanced 3 affirmatives, of which the last anticipates the develop-and-die type of experience. Four see slight indications, less than one of them could wish; 5 see no indications but wish they could, while an equal number see no indications and are glad they can't. Three urge a party on the basis of need because no results have been achieved from present methods, and because industrial democracy fails without it.

Fourteen think that there is very little chance, or that it will not come soon; 9 expect political action only locally, and point to the situation in Colorado, Milwaukee, Pennsylvania, the Northwest generally, the Non-Partisan League, the unrest in cities, or expect it by specific economic groups, as witness the weakening opposition to motions introduced at conventions. Mr. Ernest Chamberlain (American Federation of Musicians, managing editor of the *Oklahoma Leader*) thinks "it is significant that men like Johnson of the Machinists can carry on for a third party without being regarded as outlaws." Mr. H. S. Raushenbush expects interest from "only those groups directly affected and obviously by Federal action . . . so far the railroad brotherhoods—when super-power gets into national affairs, the electrical workers—when coal, the miners."

One thinks that while there are no indications now, it might come quickly if at all, 1 looks for a farmer-labor attempt in 4 or 8 years, and another agrees that something may occur after the next election. Two say not till the present leadership dies off; 2 that the rank and file will do it in spite of them. Five regard the La Follette experience as a definite deterrent to further activity; Mr. Herbert M. Merrill (I.B.E.W.) says of it: "Only so far as the La Follette vote of 1924 impressed individual trade unionists. If such a vote had been even twice as large it is not improbable that such independent political movement would be in genesis now. When the British labor organization membership was pro rata as small as the American is now, its political activity was substantially the same as ours. An American labor party will come inevitably when labor is as well organized as in Britain." Another statement of this attitude is by Mr. Harvey O'Connor, who says: "Shrewd economists estimate that the present era of good will may last nearly a generation, in which case independent political movements seem to be in for a difficult time. This question is unimportant in any event so long as the great body of semi-skilled and unskilled workers are unorganized." The economic side of the matter implied here is echoed by others who say "not unless there is unemployment, not until the present economic advantages cease and a personality arises, not until the unions fail," etc.

The strictly political side of the matter comes in for comment also. It is worth noting that only one answer sets a limit to how far labor should go, once in politics; this one wishes to go in for the repeal of the anti-trust laws and then withdraw. One remarks that the question how soon labor will

enter politics depends on how many sops come from Congress, another that the seesawing habit is hard to break, a third that the non-partisan habit will keep labor influence from going beyond the mediocre vision of the other parties. With an eye to totals, Mr. F. G. Stecker (A. F. of L.) warns that "even if the entire membership of the American Federation of Labor were of one accord on this subject, it would be too small a group to insure success."

Foreign parties are cited, particularly the English. Two expect their success to be stimulating, 1 thinks the English type of party impossible here because a reformist attitude against privilege cannot be paralleled, 2 think England suffered by its success: "I am a firm supporter of the A. F. of L. policy of opportunism when political action is required. In England as labor's political power waxed, its economic power waned" (T. W. McCullough, I.T.U., editor of the *Omaha Bee*).

One points to the A. F. of L. 1925 declaration as final. Two San Francisco replies support the view, one as creed and one as fact. Theodore Johnson (legal adviser, San Francisco Labor Council) says: "Organized labor has learned the secret of the balance of political powers, and it will profit to the utmost by following such policies and not the well-nigh suicidal policy of seeking to effect a labor party composed of incompatible elements." Miriam Allen DeFord (Federated Press) says: "The movement will apparently be all the other way, since it is the center and right wing which would naturally be most interested along such lines, and it is precisely the extreme right (the A. F. of L.) which is at present most opposed to it."

It is perhaps not wholly flippant to end with the reply of Mr. Chandler Owen (editor of *The Messenger*): "American labor's ideals are not strong. It is too practical to look far ahead. It works for the sweet now and nigh. Both our political and gambling activities have been partly responsible for this attitude. The gambling psychology impels one to try to *pick* instead of to *make* a winner. We are a race-track people." [1]

Question 4. *Labor has taken up workers' education. Do you think that workers' education should have an essentially different function from that of general adult education? If you do, how would you describe the objectives of workers' education?*

Of the 113 persons who answered this question, 30 think that there is no essential difference, while 83 indicate what they regard as distinguishing features of workers' education. In the first group, 1 calls specialized workers' education a fad, and says it "consists of public lectures attended largely by sympathizers with the labor movement: workers attend public night school for real intellectual training" (T. S. McMahon, University of Washington), 1 says that the standard should be lower than in regular institutions, 1 that workers' education should function through the public

[1] The distribution of answers looking toward a party in the more or less near future gives a rather extraordinarily wide scattering of States; viz., California, Arkansas, Tennessee, Minnesota, Wisconsin, Michigan, Massachusetts, New York, Maryland.

and high schools with labor colleges as preparatory, 2 that the public schools must be revised, 2 that vocational training should be given. But aside from these there are 11 who believe that the aim of both is the same but that differences exist in studies (economics, industry, history), in methods, in illustrations, and in emphasis. If asked to state the aim, most of these would probably agree with Mr. Walter Nelles (author) that "the point of education, I think, is understanding of life—opening the mind both to objects of aspiration and to practicalities of method. The reason for experiments in 'workers' education' is the failure of other educational agencies to fulfill this function. I do not think that they should conceive their function as essentially different."

Little to match this general concept appears in the listed aims of those who think there is a difference. It is submitted that the list which follows indicates an acceptance of a prevalent American theory that "education is information," which tends toward technical and professional training, toward using the mind in a certain manner rather than toward using the mind. A few follow Mr. Norman Thomas (L.I.D.) in saying that " its true objective is (1) the emancipation of the working-class in its thinking and its acting; and (2) the preparation of the working-class for a steadily increasing degree of control of economic processes." Generally the aim is stated as seeking to prepare the worker for shop control now and for a future place in a new social order (17), to make the worker class-conscious (7), to train people to function as members and organizers (5), to build loyalty to organizations (5), to fit students to be organizers (2), to teach the mission of labor (2), to bring the results of higher education to the masses, to teach the necessity of organization for a share in the benefits of civilization, to correct the anti-union tendency of the schools, not to further "radical propaganda," to consider a policy for coöperative action, to promote better labor relations by joint employer-employee discussions (1 each). Two comments from men who have been active in workers' education, one on the Pacific and one on the Atlantic seaboard, are perhaps worth quoting: "It must recognize workers as a class in present-day society with distinct aims, ideals, and philosophy of its own. It should reflect and promote the cause of labor in unstinted terms. It should develop a critical tendency on the part of those taking it" (J. L. Kerchen, director of workers' education, University of California extension division). " Workers' education has no function as such unless it aims at the mental and spiritual development of workers as workers aside from their development as citizens in general. Workers' education must aim to give to the working-man and -woman an understanding of their problems as workers in dealing with the employer, in their rights as citizens in this class civilization, and in the future possibilities of the working-class as the dominant group in society" (James H. Maurer, president, W.E.B.). From another angle, Mr. E. W. Morehouse (Northwestern University) states the two problems of workers' education as: "(1) the development of cultural tastes and standards which will induce the worker to use increased leisure time to his own and social advantage; (2) the development of public economics as opposed to private economics."

Question 5. *The trade-union movement has recently entered a variety of ventures such as labor banking, coöperative home-building, participation in management and responsibility for production, such as the B. & O. Plan. Please give your opinion on the following points:*

A. *Whether or not such ventures are likely to divert needed labor energy from other more direct trade-union tasks and cause a slackening there?*

A certain tentativeness is noticeable in all five of the points under this head, a feeling that the newness of these ventures makes any reply rather too theoretical because of the scarcity of facts. A number of people also pointed out that the question should have been split, with the production standards and B. & O. Plan in one part, and labor institutionalism in the other.

Twenty-two expect a diversion of needed energy; 33 think it improbable. Of the less decided answers, 1 in the affirmative column says that it depends on recognizing the place of the new activities—there is enough energy if properly applied—while 2 in the negative column agree that it depends on proper perspective. Likewise, 6 affirmatives think diversion likely to lead to an evolutionary adjustment to industry, while 5 negatives regard it as good education. Three affirmatives state that the same leaders function in both types of work and should not be overburdened, while 3 negatives think new ones are developed; "Plenty of surplus labor energy around. One of the great contemporary wastes" (Leo Wolman, A. C. W. of A., New School for Social Research). One affirmative and 1 negative agree that strike funds should not be tied up. One affirmative would leave the new activities to sympathetic groups; 1 negative says that they are all right for members but not for the union itself, while another approves only if they are closely allied to the craft undertaking them.

Of the other affirmative answers, 5 expect a temporary diversion, and 3 some slackening of energy; 2 think it has occurred in the B. of L. E. but not on the B. & O.; 1 approves all but banking; 1 expects a good administrative effect.

Among the negatives, 1 thinks diversion only theoretical, 1 that it depends on the district, 1 that it won't be markedly noticeable, 2 that it need not be, that it hasn't occurred in the New Unionism unions, though maybe in the Machinists'; 1 thinks there is no more direct union task than participation in management; 2 regard it as an excellent complement; 1 suggests that the augmentation of economic power is as important as the augmentation of man power and reacts on it; 1 holds all coöperatives good, and another holds them good if they take in the rank and file; 1 sees possibilities for making the union seem a going concern while of the 3 who especially approve the B. & O. Plan, 1 notes the membership gains since its application; 3 look to the projects to create a demand for organized skilled labor, 1 for increased solidity in an essential channel. Two warn of the dangers of failure in a highly technical enterprise.

Question 5B. *Whether or not the point of view of labor is likely to be affected by the new activities, and if so, in what manner?*

Twenty-two expect the effect to be broadening, giving labor an insight into new problems, business difficulties and responsibility; and 1 points to a changed attitude on restriction of output, another to increase in sympathy with the employers' problem on the B. & O., while 8 look for two tendencies to emerge, one in the direction of industrial democracy with the radical unions, and the other toward a capitalistic psychology in the middle-class unions. Five think contact with vested interests will make officials conservative; 1 that weak unions like the shop crafts will be made weaker, while opposition in the large ones will balance class surrender; 2 approve in general but object to present management, and another thinks the character of the persons in charge important. One each prophesy a lessened class-consciousness, an increased capitalist psychology, the growth of a caste in labor, its emasculation, an increased caution accompanied by a proof of responsibility, a conservation of economic power possibly at the expense of its effective use, a decrease in radicalism. On the other hand, 2 see a means of fitting the workers to govern and of increasing their desire to do so, 1 a swerving from revolution to evolution, 1 an identification of labor with general economic conditions, though another considers partnership in business an illusion. One expects a trial to show the impossibility of these ventures, 2 think them questionably advisable, 1 wants more Rochdale coöperation, 1 warns that they should be labor, not commercial, 1 that they should be separated from the union proper, 1 that they shouldn't own coal mines, 1 finds the Engineers a little haughty. Two anticipate an increase in intelligence, 1 a deeper interest in methods of gaining ends outside of strikes; 1 looks to the coming of the expert and more scientific methods, while another says that labor learns to do things without paying tribute outside.

Only 1 person thinks labor's point of view will be little affected.

2. The Student Opinion

In addition to the labor leaders questioned, a number of students of labor problems were asked to answer a questionnaire. Replies to this student questionnaire were received from 311 individuals and 5 classes voting as groups, representing 10 colleges in 9 states. The following questions and answers were thought sufficiently significant to be assembled here:

Question 1. *Is your attitude toward the labor movement on the whole sympathetic, unsympathetic, indifferent?*

Of 311 who answered, 20 were indifferent, 38 unsympathetic, 16 partly sympathetic, and 237 sympathetic.

Question 2. *Mention, if possible, incidents, books, or experiences which have played a part in determining your attitude.*

One hundred and twenty-six quote books, 72 quote college courses, and 44 mention people as having played a part in their attitude. The authors

listed were Andrews (32), Perlman (27), Ely (25), Carlton (22), Fitch (15), Carlton Parker (12), Feldman (10), Interchurch Steel Report (10); Tawney, Furniss, Atkins and Lasswell, Douglas, Hoxie, the Webbs, Walker, Miller, Commons, Sanders, Russell, the Hammonds, Morris, Goodrich, Levine, Boeckel, Bellamy, H. G. Wells, Upton Sinclair, Rathenau, Todd, Myers, Browne, Metcalf, Marx, Filippowich, Hobson, Sherwood Anderson, Robertson, "Iconoclast," 1924 United States Coal Commission Report, History of the A. C. W. of A.; quoted as creating an unfavorable impression were LeBon's *The Mob*, Galsworthy's *Strife*, Arthur Train's *The Eye of the Needle*, and McIntyre's *Slag*.

Besides direct contact with leaders and rank and file in the movement, the attitude and experience of parents is cited as influential and ranges from the opposition of a manufacturer whose shop was struck under the influence of "outside agitators," through the contacts of a doctor whose work made him aware of the extent of industrial accident, to sympathy with parents holding union cards.

Strikes, whether industry-wide, as in coal, steel, or railroad; sectional, as in telephone service; or local, as in single plants or subways, recur frequently as events which have arrested students' attention and in most cases induced sympathy. Living conditions in mining or industrial communities where the student lives are often listed, and so are studies of various industries undertaken in connection with college courses and accompanied by trips to plants in operation. Conferences held by the Y., the L.I.D., and the Evanston Student Conference are also mentioned, as well as meetings of city central bodies, and hearings such as those on workmen's compensation adjustments in New York City. The most important as well as the most frequently mentioned determinant, however, is actual work engaged in by the students themselves, either in the summers, or before coming to college. The industries represented are: steel tube, bituminous coal, New England mills, instalment house in mining district, leather, cattle boat, paper mill, lumber camp, shoe factory, construction company, railroad telegraph, harvest, foundry, machine shop, airdrome, Ford plant, Columbia Conserve Company, manganese, cotton, steam laundry, farm, member of Cooks and Stewards of the Atlantic and Gulf, steel, ladies' hats, carpenter's helper, restaurant, iron, painting, electrical equipment, silk, women's waists, chemicals, brass, flour, nursery, highway, tannery; also work as time-clerk, weigh-boss, foreman, and in banking and in a store.

Lack of sympathy with the movement was also the result of direct contact with workers, in many cases caused by summer work with building-trades union members, in Portland Cement, in an open shop where there was no trouble and in a closed one where there was, by restriction of output in a number of trades, work for the American Sugar Refining Company and on New York piers, attempted intimidation into union membership on the part of trainmen's union. Other reasons for opposition were that the differential between union and non-union men is too great, that the laboring class is never satisfied, that sympathetic strikes are unjustifiable, that the rank and file blindly follow poor leaders, that the

unions are autocratic when in control, that the movement is not aimed for the advantage of workers as a whole but for officers, that the unions object to improvements in method, that they use radical measures in strikes, that picketing frequently results in injury.

Question 3. *Which of its present activities, collective bargaining, strikes, education, banks, independent political action, legislative lobbying, coöperative enterprises, etc. do you consider most promising? In what order would you place them?*

Place	*Education*	*Collective Bargaining*	*Coöperatives*	*Banks*	*Legislative Lobbying*	*Independent Political Action*	*Strikes*
1	141	118	28	7	4	4	6
2	107	90	48	18	16	15	9
3	40	41	68	47	40	28	23
4	15	25	44	67	41	26	29
5	2	8	24	39	41	71	27
6	0	5	25	29	41	50	35
7	0	0	17	13	31	22	75

Question 4. *Have you ever gone into industry, i.e. worked in mills, factories, etc., in order to get in direct contact with labor?*

One hundred and seventy-five had never done so; 138 had. Of these, 22 had done so for financial reasons.

Question 5. *Whether you have or not, what value do you think attaches to such an experience?*

One hundred and seventy-nine looked on it as a chance to get the workers' point of view, 84 as an opportunity to understand conditions of labor, 14 as a way of seeing both sides of the labor problem, 8 as a chance to become broad-minded, and 21 as having little value.

Question 6. *Do you favor on general principles, or contingent on circumstances, the following (if you are opposed to any of the above on general principles, please indicate): 1. Compulsory arbitration. 2. Injunctions. 3. Collective bargaining between employers, and unions. 4. Strikes and picketing. 5. The closed shop, the open shop.*

The votes were as follows:

Compulsory arbitration,	168 for,	99 against	
Injunctions,	125 for,	126 against	
Collective bargaining,	258 for,	15 against	
Strikes and picketing,	115 for,	150 against	
Closed versus open shop,	65 for closed shop	146 for open shop	

The place of the college student was thought to be as follows: Educational work, 65; labor legislation, 35; public opinion, 104; industrial peace, 62; technical help, 48; direct participation, 40; unbiased attitude, 26; social service, 16; first-hand study, 12; little use, 11.

APPENDIX II

A SYMPOSIUM ON THE LABOR PRESS

Conducted by Phil E. Ziegler and the Editors of the ALPA

Of all the means of labor propaganda, the labor press has been considered the most significant. It probably is the costliest. To what extent the labor press of this country has been effective and in what manner its effectiveness can be increased are discussed in the inquiry about labor journalism which was undertaken by the A.L.P. Associates. Mr. Phil E. Ziegler, editor and business manager of *The Railroad Clerk*, sent out the following questionnaire to the editors of twenty-five leading trade-union publications:

1. An Inquiry About Labor Journalism

I. As to Policy.

A. Which group of readers does your publication tend to satisfy? Indicate order of preference.
   a. The most active members
   b. The interested rank and file
   c. The families of your members

B. Do you favor a free discussion of points of policy, strategy, and basic aims in your publication?
   If so, what restraint would you place upon opposing views?

II. As to Contents.

A. Do you favor the inclusion of "outside" matter in your official publication, and if so, in what order?
   a. Popular science
   b. Fiction
   c. History and educational matter
   d. A discussion of general labor-movement problems

B. Do you favor illustrations, such as:
   a. Cartoons
   b. Art pictures
   c. Just amusing matter

III. As to Appearance.

Which of the following do you favor in the make-up of your publication?
   a. Would you illustrate the cover,
   b. Change the form frequently, or
   c. Do you favor a standardized appearance and make-up?
   d. Would you use good paper if money were no obstacle, or do you think labor papers must not look "rich"?

IV. Other Suggestions.

What means or policies can you suggest with a view to making the trade-union press more vigorous and more responsible to the vital interests in the labor movement and in your organization?

Willard E. Atkins of New York University prepared the following digest of the answers to the Inquiry.

Fifteen answers to the questionnaire and three general statements on the subject under discussion were received.

With regard to which group of readers their publication tended to satisfy, 6 of the editors indicated the interested rank and file as the first; 4 indicated the most active members; and 5 gave answers that could not be rated in numerical order. Carl Haessler of *The Federated Press* writes: "We aim primarily to satisfy our diverse member editors, ranging from conservative to radical," and G. M. Bugniazet of the International Brotherhood of Electrical Workers states: " We hold that no publication can perform its function and establish a real influence among union members that does not try to reach every portion of opinion in the organization. . . . Recently we have begun a campaign of some strength to educate the families of our members in union philosophy."

No classification can be made of the responses to the question of permitting free discussion of points of policy, strategy, and basic aims. All the answers except one were affirmative, but, with few exceptions, qualifications followed:

a. Yes, within certain limits; but even this is not possible as all such are considered internal questions with us.—Justus Ebert, *The Lithographers' Journal.*

b. Some restriction is desirable. Many members are not well enough informed to discuss important matters.—F. Finnran, *Railway Maintenance of Way Employees' Journal.*

c. Depends on the views.—F. H. Pease, *The Railway Conductor.*

d. It limits its contents to news and matters directly connected with the coal industry and the miner's union. . . . It does not fool with politics, socialism, or any other outside subject.—Ellis Searles, *United Mine Workers' Journal.*

e. We have devoted considerable space for the past twelve issues of our papers to criticism of our work by radicals or liberals of other faiths.—Cedric Long, *Home Coöperator.*

As to contents, all but 3 favored the inclusion of "outside" matter in official publications, and these pleaded not enough space. Agreement was almost uniform that the order of importance was: (1) a discussion of the general labor-movement problems; (2) history and educational matters; (3) fiction; (4) popular science. Albert F. Coyle of the *Locomotive Engineers' Journal* voted against the inclusion of fiction with the comment, "*The Saturday Evening Post* is too cheap. I do print real stories of railroad experience, which are often more romantic and thrilling than fiction."

Cartoons, art pictures, and just amusing matter were favored in the order named with the answers running thus: cartoons, "yes"; art pictures, "especially for the frontispiece"; just amusing matter, "a very little, usable as filler material. Like spice, a little goes a long way."

On the matter of appearance, 8 voted for an illustrated cover, 1 for illustrations on special occasions only, and 6 answered that their cover design was standardized. The question whether a standardized appear-

ance was desirable led to a split of 8 in the affirmative and 7 in the negative, the reason given by 2 for the affirmative being that the publication should be readily recognized. All but 1 saw no obstacle to using good paper even if the paper looked rich. "Good paper by all means," and "but one thing restrains us from using the best paper—the price," were characteristic comments.

Perhaps the richest return from the questionnaire came from the question: What means or policies can you suggest with a view to making the trade-union press more vigorous and more responsible to the vital interests in the labor movement and in your organization?

a. Trouble is less with the papers than with the intelligence of the rank-and-file readers. The majority of editors are trying to reach boobs and dumb-bells in the unions, and this necessitates catering to that kind of taste and mentality. Labor editors should deliberately aim to reach the intelligent minority. Even though the articles go over the heads of the majority, perhaps an occasional idea will swoop low enough to make an impression of some kind. But it is the intelligent minority who formulate policies. Appeal to them.—Cedric Long, *Home Co-operator.*

b. The making of a magazine is a highly technical job. It should be considered such and technical talent should be secured. We believe that education of our members in labor colleges is destined to raise the standard of journalism. G. M. Bugniazet, *International Brotherhood of Electrical Workers.*

c. Carry more and better illustrations and photographs and print more readable and interesting articles on subjects not strictly pertaining to organization work. In other words, a more mixed diet.—F. Finnran, *Railway Maintenance of Way Employees' Journal.*

d. By developing a desire for greater responsibility for and control over the conduct of industry by the workers.

1. By the use of the labor press as an educational medium to that end.
2. By the encouragement of workers' education. Educating the workers to be more politically- and socially-minded.
3. By the discussion of the effects of political, economic, and social forces upon the lives and problems of the workers.—Phil E. Ziegler, *The Railway Clerk.*

e. Apart from poverty the principal failing is indifference of the editor and provincialism. The existing papers show that even small faraway places can produce good labor papers with intelligent use of resources, free and paid news and editorial and feature services, worth-while local labor news, and a general slant or integration that a good editor knows how to give.—Carl Haessler, *The Federated Press.*

f. I would say that what we need most of all is freedom from official dictation, more trained journalists on the job, and closer contacts with the rank and file on the part of labor editors. It might also be a good idea for union papers to give their printing to union institutions.—Oscar Ameringer, *The Illinois Miner.*

g. I would favor the coördinating and unifying effort along general educational lines—the propagation of trade-union principles and ideals—the discussion of live economic and political subjects, etc. Such coördination could be made most effective through the medium of a central directing agency developed on the plan of the service at present maintained by our weekly newspaper *Labor* for the official publications of the different railroad labor organizations.—John F. McNamee.

h. More intensive study of national economics—less stress upon group interest or advantages.—Thomas F. Flaherty, *The Union Postal Clerk.*

i. The most badly needed material in the American labor press is brains, coupled with hard editorial work. The secretary of one of our largest international unions, who also edits its journal, told me that he spent 4 to 7 hours monthly on the job, leaving the work largely to a stenographer. Secondly, our labor press is provincial; it needs a world outlook and a realization of the economic unity of the workers in every land.—Albert F. Coyle, *Brotherhood of Locomotive Engineers' Journal.*

j. Labor papers should be labor papers—not political or Communist propaganda sheets. Trade-union publications should confine themselves to trade-union matters and not waste space on outside "isms."—Ellis Searles, *United Mine Workers' Journal.*

k. A more liberal policy toward new ideas and forms of unionism is necessary to greater interest in labor organizations. Too much dry rot seems to prevail, due to set and inflexible policies.—Justus Ebert, *The Lithographers' Journal.*

l. I have studied the policy of labor publications in their effort to become of more value to our readers. A few of these stick so closely to purely organization subjects that their readers get but little idea of what is going on in the general trade-union movement, and less concerning general public policies which affect the worker's standard of living. On the other hand there are one or two who reach the other extreme, and seemingly discuss questions of public policy or general problems affecting the workers as a whole, instead of devoting much attention to the immediate interests of their own membership. My own opinion is that there is a sensible medium between these two extremes. Members must be kept interested in the general questions affecting the welfare of their own organization. They must be kept informed as to what is happening within their own group. As no organization can live by itself satisfactorily, it is also necessary that the membership should be kept informed concerning general policies and movements affecting trade unionism as a whole.—John P. Frey, *International Moulders' Journal.*

2. The Labor Daily

By *Norman Thomas* [1]

A. MONUMENTS TO DULLNESS

To begin with, there is the problem of turning out an interesting paper. I don't mean that labor news and serious discussions of labor tactics should always be jazzed up. I do mean that labor papers have too often been written, edited, and printed as if with the intention of discouraging readers. A lot of them are monuments to dullness. In appearance, typography, and subject matter they are no credit to the labor movement. They are scarcely more than bulletins of routine party or union news with a few ill-considered, stereotyped editorials and articles.

B. LOYALTY TO LABOR'S IDEALS

Another problem of the labor editor is the problem of loyalty. That sounds simple, especially if the paper is the organ of a party or a union.

[1] In 1923, the *New York Call*, a Socialist daily, ceased appearing. A group of progressive labor unions in the city pooled resources and an attempt was made to revive the daily as a trade-union, labor, and political paper. After a short time the *New York Leader*, under which name the *Call* was resurrected, went down. Mr. Thomas was editor-in-chief of the *New York Leader.*

But it is not so simple as it sounds. Of course, the editor is the servant of the party or the union; he owes it the best he has; he must work in harmony with, and under the general direction of, the chosen officers of the union. Yet the problem of loyalty is not solved by this rather obvious statement. Is the editor of a labor paper merely the literary errand-boy of some political chief or union official? Is it not his duty by virtue of his position to remember his loyalty to the labor movement as a whole and to interpret that loyalty to his readers? Here is a movement with an heroic history and glorious aspirations. Can the labor editor let his mind or his columns be so crowded with routine material that none of this thrill and passion of a great loyalty is conveyed to his readers?

C. TRUTHFULNESS AND FAIR PLAY

Closely related to the problem of loyalty is the problem of accuracy, truth, and fair play. And that may be the hardest problem of all. Any labor paper worth its salt is dealing with live controversial issues. It is in the thick of labor's battles. Those battles are not only against anti-union employers and against a wasteful, exploiting social order. They are often factional, between different unions or parties within the unions. And factional fights are the bitterest of all. We need the scientific habit of mind which learns by trial and experience, which holds theories subject to rectification by new knowledge. I am not pleading for a futile open-mindedness that never believes anything with enough fervor to act. I am not forgetting that one's view of truth must depend on one's background of experience and conviction when I urge that courage and vigorous opinion are consistent in the editorial office with the effort to give one's views truthfully and to deal fairly with one's opponents.

D. THE DEARTH OF LABOR DAILIES

The present newspaper situation from the viewpoint of labor and of the fair-minded citizen is a menace to democracy. The business of news dissemination and interpretation is controlled by millionaires for profit. Monopolization and standardization of newspapers grow by leaps and bounds through the chain paper system. Standardization may be a good thing in Ford cars; it is a bad thing in newspapers. And this standardization tends to be socially conservative and anti-labor.

Everybody reads a daily. It is part of the atmosphere we live in. It is one of the educational factors in bringing up our children. And that press is sensational, inaccurate, devoted to the great god Profit. Make a list of comics, cartoons, features, even articles about sports, and you may be surprised, as I was, to find how the anti-labor bias creeps in. For instance, a clever writer in a New York paper describing a World Series game said that the teams, which had often played as if they wore overalls instead of uniforms, went to their work with snap and energy as if they were non-union men!

The *New York Call*, which specialized in news of interest to labor and in propaganda for the group behind it, gave up its fight and life after ten

years of gallant martyrdom. The *Minneapolis Star* and the *Seattle Union Record* long since ceased to be labor papers in the proper sense of the word. The *Milwaukee Leader* holds its own. But it has a well-established political movement behind it. The *Daily Worker*, the only other English language labor daily, is strictly a propaganda organ of a militant party. It can not take the place of the ordinary daily for the average worker. It has a continual struggle to keep alive. Physical difficulties of inadequate staff and equipment, to say nothing of the philosophy of its editors, make its news columns even less reliable than those of the best of the capitalist papers which it denounces.

To counteract the influence of the commercial press we want a paper as broad as the millionaires' organs. No purely propaganda daily will fill the bill for the average American worker. He wants news, features, sports. I know from experience that he wants a paper that interests as well as instructs him.

E. DOES LABOR WANT AN INDEPENDENT PRESS?

A labor daily must have the backing of some sort of organization interested in it from its birth. There is as yet no labor political party to foster such a child. The labor unions, from the most radical to the most conservative, are theoretically committed to the value of their own newspaper, but there is no evidence of either the intensity or catholicity of interest needed to make such a newspaper a success. Labor is not yet educated to see the importance of giving news as news for its news value. No capitalist paper is worse controlled in the interest of its owner than some official trade-union organs in the interest of their union officers. The general apathy in the labor movement except where there is a condition of factional strife makes it hopelessly Utopian to imagine that we could get a worth-while labor daily. Where apathy has yielded to such factional strife as exists in the New York needle trades no general labor daily above the battle could exist for a week.

Can labor afford such a paper? Yes, if it wants it. Newspapers, to be sure, live on advertising, and a labor paper loyal to its principles may have trouble getting advertising. Yet my experience with the *New York Leader* convinced me that in ordinary times a labor paper, without compromising its principles, can get considerable advertising, *provided it can first get enough circulation among workers who can be reached only through its columns*. In other words, vigorous labor support of its own paper will probably get it enough advertising to come somewhere near self-support or to leave a deficit which labor organizations could handle.

I used to believe that labor journalism might be a great factor in building up the labor movement. I still believe that with all its limitations it is a factor of importance. Nevertheless, rather more definitely than ever I am of the opinion that we can not expect labor journalism to arise under present conditions in sufficient force to be a principal factor in arousing and educating a more militant labor movement. Rather we must expect that a more intelligent and vigorous labor movement will establish a better labor press.

3. The Gopher Prairie Press

By *Helen G. Norton*

Instructor of Labor Journalism, Brookwood Labor College

Wherever there is a gathering of trade unionists far enough removed from officialdom to be free from the necessity of praising good and bad indiscriminately, the labor press comes in for a lambasting.

"Its make-up is rotten and its newsprint poor; its editorials are stereotyped and its news stories denuded of all interesting tidbits; its editors are incompetent old fogies, irresponsive to the needs of the movement and bowed down with the taboos and pronouncements of respectability; labor papers are not readable."

So runs the chorus. And all these assertions are true—with reservations and exceptions, especially true of the local labor press. The use of syndicated labor news and particularly of syndicated editorials makes for a disheartening uniformity among such labor papers; but this is largely because they are too obvious. In the first place, the syndicated material is too often served without local news to dilute it. In a new labor paper started recently in Massachusetts the first two issues averaged less than 10 inches of local matter in a 4-page sheet, and many of the well-established ones are not much better. In the second place, several of the labor services are sent out with heads already written, so that not only the body of the story, but the attention-getters as well are uniform from paper to paper. If these stories were sent out with mere catchlines as in the case of general press services, and each editor rewrote the heads to fit the style of his paper rather than adapted the style of the paper to the heads, there would be much less similarity among labor publications. Single-column, two-or three-deck heads with graduated type sizes instead of the present double-column single-deck heads in excessively large letters would give much more of a newspaper effect and besides would advertise the stories better.

One practice of the local labor newspapers, and perhaps also of the labor press in general, that seems quite inexcusable, is the use of "patent insides" and boiler-plate stories that have absolutely no significance for working people. Most of these stories are built on a false psychology, with sure-fire themes. Virtue is rewarded (usually with a motor car or a bungalow), and right triumphs over wrong with disgusting frequency and ease.

Commonly the greatest shortcoming of the local labor press, at least the newspaper section of it, is the lack of sufficient local news and comment. There are stories of strikes in New York and Seattle, of wage adjustments in Chicago, but nothing is said of the fact that the local union of typographers has renewed its agreement with local printers, or that J. M. Brown was reëlected secretary of his union for the fifteenth consecutive year.

Some papers, while they do not play up local news on the front page,

devote a good deal of space to correspondence from various locals. These items range anywhere from the fact that "Skeet Hudson reports the birth of a bouncing baby boy. Congratulations, Skeet," to sage remarks concerning coöperation and regular attendance at meetings. This sort of local column has a double advantage—it has a personal appeal to union members, and it permits the expression of opinion and philosophy on the part of rank-and-filers who would not dream of writing editorials.

If the local labor editor were to encourage the appointment of press correspondents and coach them to write newsy, chatty items that would require little censoring, his subscribers would take vastly more interest in the paper and it would reflect the real local labor world. Incidentally, he would find many items which with a little elaboration would make front-page news stories.

Witness, also, the lack of labor news in general newspapers. The fault is often that of labor organizations themselves. There is no real reason why the pie suppers and annual elections of the Retail Clerks should not get into the *Daily Explosion* just as much as the doings of the Baptist Busy Bees and the Odd Fellows. As a matter of fact, the same individuals are likely to be concerned in all three.

Working people subscribe to the daily paper; they buy the goods advertised in that paper. There is no reason why their activities as union members should not be of as much public concern as their civic, church, or lodge activities.

That they have not been of equal concern may be due to actual discrimination against organized labor. It is more likely, however, to be due to neglect. If a district meeting or a picnic is held, if the Central Labor Union has an outside speaker, the newspaper should be told about it. The editor is not omniscient, and often he would be glad to send a reporter to cover a meeting if he knew about it, or at least to print a reasonably well-written account from the union's press secretary. This does not mean that sky-rocket oratory or barefaced propaganda will receive space; but if a speaker really has something to say of general import and interest, the fact that he says it in the Labor Temple ought to enhance rather than lessen its interest.

Furthermore, if a new wage-scale decision by the Railway Labor Board affects 150 families in a town, the news of that decision might just as well be rewritten from a local standpoint, with interviews from union officers. As it is now, the local application of the decision is conveyed only to Chamber of Commerce members through their confidential bulletin.

If the townspeople become accustomed to reading news and society items about labor organizations and know who the members are, they are much more likely to be sympathetic in time of labor disputes. It's vastly harder to picture organized labor as a destructive, unreasonable Bolshevik if you know that the president of the C.L.U. is a member of your lodge and that the wives of half the members belong to the Parent-Teachers' Association.

Family interest in the labor paper is a field frequently left uncultivated. The man comes home from work in the evening. "Any mail?" "Oh, yes,

that old labor paper of yours came. I don't see why they send it. You never read it." So goes the tale in many houses. Now it is a peculiar thing, but women (and men) will always read cooking recipes and hints for making gardens or hats. Some labor newspapers do go so far as to carry recipes and helpful hints. Unfortunately, they go no further.

The woman's page in the labor paper is the place for talks on how the union helps the family of the worker, on the position of women in industry and their need for organization, on the folly of working-class families' falling for the near-rich psychology promoted by advertisers. Feature articles or short stories showing the hardships of workers' families, reliable articles on nutrition, notes about the activities of the women's auxiliaries—all these are of interest to women and will make them view both the paper and the union with a much more friendly eye.

If there is room for a children's page, so much the better; if not, at least a children's corner. Here again the need for a labor cartoonist and illustrator is apparent, to replace the silly comic strips that are sometimes used. History, comment on current events, stories of animals, contests, letters from children on what the union means to their family, will help stimulate interest and lay a solid foundation for a labor viewpoint.

Labor papers are financed largely by block subscription from local unions, so that no irate reader demands that his subscription be stopped unless the paper mends its ways. Such local advertising as is received is given grudgingly from a somewhat obscure motive of good will or a fear of boycott. Theoretically, the labor paper ought to be the best advertising medium in the town, but practically it is not, and the merchants know it. Their ads, if they are aimed at the workers at all, are so crude in their appeal as to have no real sales value. Usually, however, the ads are simply copied from the "real" newspaper of the town. Thus it happens that neither the merchant nor the buyer regards the ads with confidence, and the editor who sells the space is the only one who derives any satisfaction.

This lack of competition from other papers and of direct responsibility either to subscribers or advertisers makes for an inefficient, slack editorship. It is easier to "lift" not only individual articles, but whole pages from a news service, or even worse, copy them from another paper without giving credit.

The story is told of a labor editor who was asked by a friend, "What's the matter that your paper isn't out today? Did your press break down?"

"No," replied the editor, "I mislaid my shears."

There are too many papers, edited with the paste-pot and the shears, in which practically the only original thing is the volume number.

Until something occurs to reawaken the fighting spirit of organized labor, the labor press is not likely to attract new men. Yet it needs them badly. Many of the editors have grown gray in the labor movement; there is no doubt as to their devotion, but they are very conservative, and they cling to old traditions. Labor editors need to realize that the proportion of trade unionists who will read their publications from a mere sense of duty becomes less and less with the advent of every new magazine and every advertising novelty. They need to adapt to their own field some of

the devices of modern publicity and advertising. It is suggested that the labor press give due consideration to the principles of group psychology and to the laws of attention-getting which modern advertising has formulated.

4. A View of the Trade-union Press and its Function

By *J. B. S. Hardman*

Editor, *The Advance*, A. C. W. of A.

For the purposes of this statement a distinction is made between the labor press in general and the union press. The two types differ in the point from which each approaches and handles the problems at hand. The general labor press usually represents a more or less clearly-defined philosophy or ideology and is concerned with the advocacy of a distinctive *ism*, which sometimes, for reasons of expediency, it may choose not to name. These publications view and approach the union problem from the angle of the *ism* or plan of social organization which they wish to materialize or to perpetuate. As the mouthpiece of the groups behind it, the labor press approaches the present from the viewpoint of the future, where its ideal resides. The union press reverses the orientation. Its first concern is with the immediate, and more often than not, it has no second concern. The union press as well as the union mind is concerned with the most immediate, or the present, and even when it occupies itself with the future, the urges and the outlook of the present dominate its thought. The orientation of the two thus lie at opposite poles.

Union journalism should be considered first from the viewpoint of editorial management and then from the viewpoint of union policy. Both are important, the second being the more important.

A union journal may be well edited, interestingly done, and properly balanced, in which case it may attract and hold its readers and prove an effective means for achieving the aims of the union behind it. This, however, is not very certain, since sometimes badly-edited publications catch fire and well-edited publications fall flat. More fundamental than editorial skill in the case of the union publication is the matter of policy. If the union paper fails properly to present the policy of the union, it defeats the purpose for which it was created.

But what is bad or good union policy and what are the broad lines which the union press is to follow in order that it may serve its ends? It should not be difficult to answer these questions. For since the union press is the mouthpiece of the organization, that policy will be satisfactory which will be directed toward doing the greatest amount of good for the organization. However, a short-range view or a long-range view of what is "good for the organization" may be taken. The consideration of the dynastic interests of the group in power in the organization in the first place, as the aim of the organization, may be, and not infrequently is, the basis of union policy. On the other hand, there may be the view of the organization as the expression of the interests of the members as

a whole and also the relation of the aims of the union to the entire movement.

If a short view of the organization is entertained, the union paper is little more than a house organ, and the job of the editor is simple enough. He is to sing the song of praise of the "administration" that feeds him. He is to emphasize their achievements. Shears and paste and syndicated canned features will help him fill the space not occupied with eulogistic matter. An occasional curse aimed at the opposition will present a handy divertissement.

The editor has a man's job ahead of him if he views his task as an integral part of the movement and not as a political nest. Even then his paper may not be altogether free from certain features of a house organ; it will still have to play up individuals in proportion to their status rather than merit—exaggerating gains and minimizing defeats. The major efforts and attentions of the paper, however, will be directed toward the larger aims of the union and the movement. The strategy of the union, its politics, its problems, its aspirations and relation to the labor movement and the social problems of the time, will be the paper's concern. The union paper then will seek to educate its readers to an intelligent, purposeful, assertive attitude, and will become the clearing house of both the rank and file of the organization and the leadership, where their views may be voiced and clarified and eventually integrated.

A conviction that the union press can be made a powerful instrument in the service of the union movement, and that the union movement needs this kind of service, suggests the following general course of procedure in the conduct of a union paper:

1. The publication of union papers should be considered by their publishers and editors as a real job and not a matter of mere routine. Attention should be given to each issue and standardization avoided. Variety and healthy balancing of contents should be accompanied by good appearance.

2. Union papers should be more than disseminators of dry and distorted information. They should aim at feeding the mind and the imagination of their readers. Veracity and exactness of statement should likewise be their concern. Their news, of necessity, must be spirited. Their editorials must be based on facts.

3. Editors should encourage and stimulate discussion of union problems. The usual fear that the "outside" may learn of what is happening in the union may be safely overlooked. The "outside" is almost always well informed and knows more about the union than the editors and the presidents of the union will ever tell their members, and perhaps more than is known to them. Secrecy to that end is of no avail, whereas on the other hand a membership ignorant of union matters is a source of weakness. Ignorance breeds indifference.

4. The union press, like the union organization, must not be shut to the world outside of the immediate union problems. It should consider that " world " a union problem, too. It is the job of the union press to relate the trade union to the labor movement and to correlate it with

labor and social advance everywhere. If this is done in an intelligent way and facts and opinions are properly blended and attractively presented, the safe guess is that the press will be appreciated by both the intelligent leaders and the active rank and file, and will become influential, as it should, in molding the union's course.

5. This is not all, however. Union publications go to the homes of union members, where there are wives and children and brothers and sisters. An effort should be made to interest them all in the union cause. For this reason it is important that the union press should represent and reflect most matters which interest the group of which the union members are a part. A good story, a good joke, a good picture, interesting accounts and interpretative reviews of social and public matters, are the logical parts of an intelligently conducted union publication. The union press should attempt to give its readers a labor view of the environment in which they function and of the world in which they live.

The union press in the United States has yet to come near to such a program as this. In some quarters there is a realization of the need of making the union press effective, and sporadic and unsustained efforts are made in this direction. In the prevailing number of cases, however, the job of getting up a union paper is considered one that could be done by anybody who can do nothing else. " Lame ducks " are put on the job. Some editors of union publications take their readers for granted. Others feel equally certain that the members won't read their press, no matter how well it is edited. Neither attitude is justifiable. It does not necessarily follow that readers will read their union paper just because they receive it free of charge. Nor is it safe to assume that they won't read it because they receive it free of charge and therefore "it's no use " giving it serious attention.

Union journalism is another of the activities in which the essential oneness of labor seeks its expression. The labor movement may be served by a union press which will help to bring about the oneness of the labor mind. If the union press is not animated and prompted by that outlook it is not as useful as it might be.

APPENDIX III

A CROSS-SECTION OF AMERICAN LABOR LEADERSHIP

By *Louis Stanley*

Who are American labor leaders? Are they foreign agitators? Are they Bolsheviks imported from Russia? And who are the intellectuals who find adventure in battling for what they call "the cause of labor"? These disturbing questions could not be answered with any semblance of accuracy until the publication in 1925 of the *American Labor Who's Who*.[1] This volume lists 1292 persons who are active in the American labor movement. They may be divided into two general groups: (1) those who are officials of trade unions, and, therefore, for the purposes of this study, will be called *union*, and (2) those whose functions are auxiliary and who, though they may be members of trade unions, will be classified as *non-union*. The first class will, furthermore, be considered under two headings: (1) officials of the American Federation of Labor and affiliated bodies, and (2) officials of independent unions, such as the railroad brotherhoods, the Industrial Workers of the World, and the Amalgamated Clothing Workers of America.

The nature of the data at our disposal affects our statistical analysis and interpretation in five ways:

1. We may not draw any conclusions as to the proportion of "honest-to-goodness" labor people there are in the American labor movement as compared with the "intellectuals" and the "hangers-on," since this was arbitrarily fixed by the editor of the *Who's Who* volume at 1850 or 68.5% of the 2700 originally intended to be included. The completed count reveals 688 or 61.2% of the 1292 names finally obtained.

2. Inferences as to characteristics for the total of the union and non-union groups are unjustified because of the dissimilar natures of the two classes and the impossibility of knowing in what ratio each group is to be counted.

3. Similarly, the independent unionists consist of two separate elements, the "native" (railroad brotherhoods) and the "foreign" (Amalgamated Clothing Workers), a situation which requires special comment from time to time.

4. We must not look on the figures at our disposal as an actual enumeration or census of those active in the American labor movement. What we have is sample cases. Moreover, officials of local unions are not included in the *Who's Who*.

[1] Published by the Rand School of Social Science. Solon De Leon, editor.

5. The number of women is so small that we must be wary of generalizations with regard to them. In some instances, where subdivisions occur, reference to women had better be omitted altogether.

If we include duplication of individuals who engage in one or more auxiliary activities or who are also trade-union officials, we find that the non-unionists are distributed among the following groups:

TABLE I

ACTIVITIES OF NON-UNIONISTS

Political Parties	
Conference for Progressive Political Action	15
Farmer-Labor Party	19
Socialist Labor Party	19
Socialist Party	103
Workers' (Communist) Party	43
Total	199
Others	
Artists	10
Clergymen	9
Coöperatives	43
Farmers	21
Fellowship of Reconciliation	7
Impartial Arbitrators	5
International Brotherhood Welfare Association	2
Journalists	268
Labor Banking	33
Labor Defense	49
Labor Legislation	13
League for Industrial Democracy	17
Negro Progress	9
Political Prisoners	7
Researchers	40
Workers' Education	54
Workers' Insurance	3
Total	590
Grand Total	789

Actually there are only 500 non-unionists. So far as the unionists are concerned, we may state that four-fifths are union officials and nothing else. Of the remaining fifth the largest single number consists of journalists, especially among the independents, while the next in size is made up of officers in the progressive and labor parties.

1. GROUPINGS OF LEADERSHIP BY SEX, AGE, AND COUNTRY OF BIRTH

A general view of the composition of the *Who's Who* appears in the following table, classifying the entries according to sex and affiliation:

TABLE II

Sex and Affiliation

Affiliation	Men		Women		Total
	No.	*%*	*No.*	*%*	
A. F. of L.	644	94.4	38	5.6	682
Independent	103	97.2	3	2.8	106
Total union	747	94.8	41	5.2	788
Non-union	451	90.2	49	9.8	500
Total analyzed	1198	92.9	90	7.1	1288
Omitted as inapplicable					4
Total in volume					1292

Of the 788 persons directly connected with labor unions, 41 or about 5% are women. About the same proportion holds good also in the case of A. F. of L. members, but the independent unions show no women in their list except the three for the Amalgamated Clothing Workers. Among those whose affiliations with the labor movement are indirect almost 10% are women; that is, double the percentage in trade-union ranks. Another thing to be considered is that 18 of the 38 women in the A. F. of L. are included in the *Who's Who* because of their connection with the Women's Trade Union League. If we omit the W.T.U.L. from our calculations as not being a bona fide trade union, then the percentage of women leaders both in the A. F. of L. and in unions as a whole is cut almost in half, to 3% in the first case and 2.9% in the second.

When we consider ages, we can draw some interesting conclusions. Examine the following table, for example:

TABLE III

Age and Affiliation

Affiliation	*A. F. of L.*		*Independent*		*Total Union*		*Non-union*	
	M[1]	*W*[1]	*M*	*W*	*M*	*W*	*M*	*W*
21 to 25	0	3	0	1	0	4	11	0
26 to 30	8	2	1	0	9	2	22	4
31 to 35	45	6	15	2	60	8	65	7
36 to 40	80	9	17	0	97	9	73	5
41 to 45	96	3	18	0	114	3	87	14
46 to 50	109	3	7	0	116	3	51	12
51 to 55	89	2	10	0	99	2	42	4
56 to 60	57	0	8	0	65	0	41	2
61 to 65	26	2	8	0	34	2	24	1
66 to 70	18	0	3	0	21	0	14	4
71 to 75	6	0	1	0	7	0	3	0
76 to 80	1	0	1	0	2	0	1	0
81 to 85	1	0	0	0	1	0	0	0
86 to 90	0	0	0	0	0	0	1	0
Unspecified	108	8	14	0	122	8	16	6
Totals	644	38	103	3	747	41	451	49

[1] *M* and *W* used to denote Men and Women in this and following tables.

We notice that the *modal*, that is, the most prevalent age-group among the unionists as a whole, as well as among the members of the A. F. of L., is 46 to 50. The typical official in the independent unions, however, is likely to be a little younger, 41 to 45, or, perhaps, more accurately, 36 to 45. In the case of women, 36 to 40 is the most frequent age among the union officials and 41 to 45 among the non-unionists. Evidently, the active labor women are, comparatively speaking, new blood, as might be expected in view of the new economic status of the sex.

These figures take on more significance when we analyze them further. Table IV separates our cases with respect to place of birth:

TABLE IV

PLACE OF BIRTH AND AFFILIATION OF MALES

	United States		*Old Immigration*		*New Immigration*		*Other Immigration*		*All Immigration*		*Total Known*	
Affiliation	*No.*	*%*	*No.*	*%*	*No.*	*%*	*No.*	*%*	*No.*	*%*	*No.*	*%*
A. F. of L.	378	70.7	84	15.7	53	9.9	20	3.7	157	29.3	535	83.1
Independent	45	50.0	13	14.4	27	30.0	5	5.6	45	50.0	90	87.4
Total union	423	67.7	97	15.5	80	12.8	25	4.0	202	32.3	625	83.7
Non-union	284	65.5	55	12.2	87	19.3	9	2.0	150	34.5	435	96.5

We know the places of birth of more than four-fifths of the males and in one group, the non-unionists, almost all. Basing our percentages on the total cases in which nativity is specified, we perceive that about two-thirds of the men in the union and non-union groups were born in the United States. The figures are 67.7% and 65.5% respectively. Members of the American Federation of Labor have a larger proportion of native-born than these general figures, namely, 70.7%, while those affiliated with the independent unions have considerably less. In fact, in the latter case, the foreign-born constitute exactly half of the total. It must be remembered, however, that this low percentage of natives is accounted for by the presence of members of the Amalgamated Clothing Workers in this group. They alone contribute 26 foreign-born to the total of 45 for the independent unions. The railroad organizations on the other hand account for 30 of the 45 natives. Also 3 of the 5 I.W.W.'s were born in this country. Together these three sets of workers make up 75% of the 103 men belonging to independent unions.

Analysis of the statistics for those born abroad reveals the fact that the A. F. of L. officials in that category belong to the old type of immigration, whereas the independent unionists, which in this case practically means Amalgamated members, fall into the class of new immigration. By the old immigrants we mean those who arrived in this country before the 1880's, generally from the western and northwestern parts of Europe, such as the British Isles, France, Belgium, Luxemburg, Holland, Norway, Denmark, and Sweden. The new type of immigration started in the '80's and originated in southern and eastern Europe, particularly Italy,

Russia, and Austria-Hungary. The new type of immigration is also prominent in the case of the foreign-born among the non-unionists. It should also be kept in mind that three needle-trades unions, namely, the Cloth Hat, Cap, and Millinery Workers, the Fur Workers, and the Ladies' Garment Workers, alone contribute 36 of the 53 new immigrants in the A. F. of L. None of the five members of the United Garment Workers listed in the *Who's Who* belongs to this type of immigration.

If now we correlate age with place of birth, we note that those coming from countries which have supplied the old type of immigration are, as might be expected, more advanced in years than those who constitute the new, as the following table shows:

TABLE V

Modal Age Groups

Nativity	*A. F. of L.*	*Independent*	*Total Union*	*Non-union*
Natives	46 to 50	36 to 45	46 to 50	41 to 45
Old immigration	51 to 55	51 to 55	51 to 55	41 to 45
New immigration	41 to 45	36 to 40	41 to 45	31 to 35
Total	46 to 50	36 to 45	46 to 50	41 to 45

The numerical predominance of native Americans in all classes of affiliation determines the modal group for the total in each class.

We have purposely omitted women from the foregoing analysis because their small number makes generalization unjustifiable. Yet two things stand out: these women are practically all native Americans, and they are younger than the men in their respective groups and sub-groups, except among the non-unionists, where the two sexes are of about the same age.

Detailed statistics, not here reproduced, show some interesting results as to specific countries. Among the old immigrants the British Isles easily stand first, with England and Ireland taking the honors in the order mentioned. Germany comes next except in the case of the non-unionists, where she actually leads. The Scandinavian countries are third. In the new immigration group Russia and the countries formerly part of the old empire lead by a long shot. Russia proper, however, makes up almost all the cases. Italy ranks second except among the non-unionists, where she gives way to Finland on account of the activity of the Finns in the coöperative movement. As for other immigration, that is practically entirely confined to British North America, chiefly Canada.

2. Where Leaders Come From and Where They Stay

How the leaders of the American labor movement are distributed geographically and to what extent they may be said to be predominantly foreign or native, as the case may be, in different sections of the country, are the next questions. The classification of the geographical sections is that employed by the United States Bureau of the Census. Table VI supplies some of the data:

TABLE VI

GEOGRAPHICAL SECTION AND AFFILIATION

Geographical Section	*A. F. of L.*		*Independent*		*Total Union*		*Non-union*	
	M	*W*	*M*	*W*	*M*	*W*	*M*	*W*
New England	45	5	7	0	52	5	23	1
Middle Atlantic	181	11	35	2	216	13	183	34
E. No. Central	181	10	36	1	217	11	115	4
W. No. Central	63	3	10	0	73	3	30	0
So. Atlantic	75	5	7	0	82	5	31	6
E. So. Central	19	1	3	0	22	1	4	0
W. So. Central	19	0	2	0	21	0	15	1
Mountain	24	1	0	0	24	1	14	0
Pacific	37	2	3	0	40	2	36	3
Totals	644	38	103	3	747	41	451	49

The figures show that the leadership of the American labor movement comes from the region bounded by the Hudson, Mississippi, St. Lawrence, and Ohio Rivers. On the other hand, there is a sufficient number of leaders in the other portions of the country to move the geographical center of the organized labor movement considerably to the west. Calculated roughly, this center of the American labor movement is found to be not New York City, as some still fondly believe, but Chicago. In the case of the independent unions, the center is shifted eastward on account of the popularity of New York City and Cleveland, the first with the Amalgamated Clothing Workers and the second with the railroad brotherhoods. In this group almost 70% of the leaders listed are located in the Middle Atlantic and East North Central States. The corresponding figure for the A. F. of L. group is about 56%. It might be noticed also that a large proportion of the women in the non-union group hail from the Middle Atlantic States. As a matter of fact, these women are mostly located in New York City.

Additional details show that the American-born make up the vast majority in all parts of the country, with the exceptions of the New England and Middle Atlantic States. In these two sections the foreign-born leaders almost equal in number the natives in the A. F. of L. and exceed them in the independent and total union groups. Among non-unionists the general rule of native predominance holds true throughout. This bears out the conclusion reached earlier, as a result of our study of general totals, that the American labor movement is run by Americans and not aliens. As the tide of industry moves westward and southward, this characteristic, if immigration continues to be restricted, will become even more marked. Then, too, even in the case of the foreign-born leaders, the old immigrant predominates, except in the Middle Atlantic States, where the new takes first place, and in the East North Central division where he leads among non-unionists. Our immigration quotas will simply accentuate this tendency.

Seventeen cities which have ten or more persons listed in the *Who's Who* supply an easy majority of all the entries. The labor movement may be said

to be moved from these centers. New York City stands first. Its unqualified supremacy in numbers of important union officials and especially of intellectuals and "hangers-on" probably accounts for the notion that the great metropolis is the capital of the labor movement. Chicago and Washington, D. C., take second and third places respectively, the latter not because of its industrial importance but because of the natural gravitation of headquarters to the nation's capital.

3. The Social Background of American Labor Leaders

In Table VII appear statistics as to the social origin of American labor leaders, ascertained from the occupation of the father, where given in the *Who's Who:*

TABLE VII

Social Origin (Father's Occupation), Affiliation, and Sex

	A. F. of L.		*Independent*		*Total Union*		*Non-union*	
	M	*W*	*M*	*W*	*M*	*W*	*M*	*W*
Farmer	93	4	12	0	105	4	91	13
Bourgeois								
Professional	45	4	6	0	51	4	94	25
Proprietary	80	7	20	2	100	9	101	10
Totals	125	11	26	2	151	13	195	35
Worker	129	6	10	0	139	6	49	1
Not Classified	145	5	33	0	178	5	63	4
Not Specified	152	12	22	1	174	13	53	6
Totals	644	38	103	3	747	41	451	49

The large group of "not classified" consists of those persons who did not make clear, when they specified their fathers' occupations, whether the parent was an employer, an employee, or self-employed. To the last-named class belong such listings as butcher, barber, and carpenter. Therefore, those that have been classified are those about whom no doubt could be entertained. Farm laborer has been included with farmer, since the general social background and view point have been the criteria. It was assumed that the intensification of conflict between farm owner and farm laborer was not important enough in the generations represented by the parents of our present labor leaders to make the single classification of farmer meaningless.

We find, on analysis, that in the known cases, those who have a working-class origin are in the minority in all groups. Bourgeois and rural backgrounds predominate. Perhaps this partly accounts for the middle-class outlook of contemporary labor leaders. In only one instance does the number of those with a working-class background exceed the number in the bourgeois group, even if slightly, and that is among the A. F. of L. unions. In the case of the non-unionists, the great number of those with bourgeois origins indicates not so much an actual identification of economic interests with the proletariat but rather a sympathy with the underdog.

A study of educational background gives us the following figures:

TABLE VIII

EDUCATION, AFFILIATION, AND SEX

Education	*A. F. of L.*		*Independent*		*Total Union*		*Non-union*	
Elementary school	*M*	*W*	*M*	*W*	*M*	*W*	*M*	*W*
or less	282	3	37	0	319	3	101	3
High school or less	87	5	26	1	113	6	48	4
College or less	60	13	16	1	76	14	229	34
Correspondence, law, workers' vocational and unclassified schools	85	14	7	1	92	15	52	6
Not specified	130	3	17	0	147	3	21	2
Totals	644	38	103	3	747	41	451	49

Among the A. F. of L. unions a big majority of those who specified their schooling had an elementary school education or less, while among the independents and, of course, the non-unionists, a minority did. Still, sixty officials of the A. F. of L. have actually had some college training and eight in addition have studied law. There is one lawyer among the independents also. The non-unionists naturally stand out as having had a college education. The women also appear to have had better schooling than the men. Correspondence courses, law studies, and workers' education have played a part in molding the minds of labor leaders. Workers' education has been utilized very little but proportionately more by the women than the men, probably because of the opportunities afforded by the Bryn Mawr Summer School. Business and trade schools have also been an attraction.

4. POLITICAL AND SOCIAL AFFILIATION OF AMERICAN LABOR LEADERSHIP

In view of all the talk about political action for labor, special interest attaches to political affiliations as summarized in Table IX:

TABLE IX

POLITICAL AND UNION AFFILIATION

	A. F. of L.		*Independent*		*Total Union*		*Non-union*	
Old Parties	*M*	*W*	*M*	*W*	*M*	*W*	*M*	*W*
Democratic	64	3	3	0	67	3	16	0
Republican	49	2	3	0	52	2	10	0
Total	113	5	6	0	119	5	26	0
Labor parties	62	7	20	1	82	8	209	26
Progressive	49	2	9	1	58	3	29	1
Woman suffrage	0	1	0	0	0	1	0	0
Single tax	1	0	0	0	1	0	0	0
Independent voters	81	1	6	0	87	1	29	0
Total politically affiliated	306	16	41	2	347	18	293	27
No party								
I.W.W.	0	0	2	0	2	0	1	0
Anarchist	0	0	0	0	0	0	1	0
Not specified	338	22	60	1	398	23	156	22
Grand totals	644	38	103	3	747	41	451	49

Somewhat more than half the unionists were so little interested in politics or so much concerned about concealing their political affiliations that they omitted stating their politics altogether. In either case they are not politically aggressive and, therefore, do not count for much in the determination of the political action labor takes. Of those who stated their connections, somewhat less than 50% in the A. F. of L. are affiliated with the two old parties. Of the remainder the largest number consist of those committed to independent political action, the laborites and the progressives, the former being larger in numbers. The largest single group outside of the two old parties, however, is composed of the independent voters. No doubt the information supplied was strongly influenced by the La Follette campaign. A poll today might show entirely different results. Yet the fact remains that at least in 1924–25 the leadership of the American Federation of Labor was not entirely committed to the Democratic and Republican parties. At any rate, the laborites and the independent voters constitute a formidable unorthodox group, although disunited. In the case of the independent unionists and the non-unionists the third parties are especially prominent. The inclusion of the officials of the labor parties in the latter group, of course, swells unduly the ranks of those affiliated with these parties. Socialists make up by far the largest proportion of labor-party members. As far as can be judged from the small number of women labor leaders at our disposal, they are likely to be free from control of the old parties; but we have too few cases to warrant any conclusions.

It has been observed that labor leaders join one or more fraternal orders, such as the Masons or the Knights of Columbus, in order to maintain social contacts for political purposes. These organizations are middle class in outlook, and a labor leader who affiliates with them sometimes comes to accept their view of life, if he does not have it already. Moreover, he learns to carry over the procedure and purposes of his fraternal societies into his trade union, losing what may be called the laboristic slant. Thus, we find in the following table that almost half of the A. F. of L. officials have actually indicated the fraternal organization to which they belong:

TABLE X

Classification by Fraternal Affiliation, Union Affiliation, and Sex

Affiliated with	*A. F. of L.*		*Independent*		*Total Union*		*Non-union*	
	M	*W*	*M*	*W*	*M*	*W*	*M*	*W*
Fraternal order	270	2	31	0	301	2	81	0
Workmen's Circle	14	0	7	0	21	0	11	0
Not specified	360	36	65	3	425	39	359	49
Totals	644	38	103	3	747	41	451	49

It would be idle for the writer to enumerate all the possible applications of the data compiled in this study. He has contented himself merely with some implications. His task has been chiefly statistical.

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WHO'S WHO OF CONTRIBUTORS TO THIS VOLUME

A NOTE. Of the thirty-two contributors to this volume, twenty-eight are men and four women. Thirteen are teachers, four doing most of their work in labor colleges; four are trade-union officials; three are technicians; four are journalists; two editors of trade-union papers; seven are research workers; and one is a poet, a literary critic, and a farmer.

The average age of the group is about thirty-eight years. Five of the contributors are thirty years old or less; twelve are from thirty-one to forty; eight from forty-one to fifty; one is over fifty; and one over sixty.

Eight of the contributors were born in Europe and one in Canada. Of these nine non-Americans, three are labor officials, one a technician, two journalists, and two research workers.

All the thirteen teachers have done graduate work; eight are Ph.D.'s. None of the trade-union officials had any collegiate training. All the technicians have graduate degrees in their special fields. All the journalists but one have collegiate training, and two have done graduate work. Five of the research workers have done graduate work; three are Ph.D.'s.

WILLARD E. ATKINS was born in Chicago in 1889; educated at Montana State College and the University of Chicago, where he received the degree of J.D. He has taught at the University of North Carolina and is now Professor of Economics at Washington Square College, New York University. He is co-author with Harold D. Lasswell of *Labor Attitudes and Problems*, and with Paul H. Douglas and Curtice N. Hitchcock of *The Worker in Modern Economic Society*.

JOHN BROPHY was born in Lancashire, England, in 1883, and received his education in the primary schools of St. Helens and Philipsburg, Pa. At twelve he went to work in the mines. President of District Number 2 of the United Mine Workers from 1917, he was an active sponsor of the mine nationalization program. He is at present directing workers' education activities in Pittsburgh.

ARTHUR WALLACE CALHOUN was born in Dayton, Pa., in 1885, and studied at the University of Pittsburgh, the University of Wisconsin, and Clark University, where he took his Ph.D. He is the author of a *Social History of the American Family* in three volumes and *The Worker Looks at Government*. Since 1923, he has been teaching economics at the Brookwood resident labor college.

STUART CHASE was born in Somersworth, N. H., in 1888 and studied at Massachusetts Institute of Technology and Harvard University. He is a certified public accountant for the Labor Bureau, Inc. He is the author of *The Tragedy of Waste* and co-author with F. J. Schlink of *Your Money's Worth*.

LEWIS COREY (pen name) was born in Canada in 1894 and educated in public schools. A journalist, he is particularly interested in the problem of wealth distribution in this country and has contributed articles on the subject to *The New Republic* and other publications.

ROBERT WILLIAMS DUNN was born in 1895 and studied at Yale College. He was acting director of the American Civil Liberties Union and organizer for the Amalgamated Textile Workers of America. In 1927 he was a member of the advisory staff of the American Trade Union Delegation to Russia. He is author of *The Americanization of Labor*, *Company Unions*, and *Soviet Trade Unions* and co-author with Sidney Howard of *The Labor Spy*.

Corwin D. Edwards was born in 1901 and studied at the University of Missouri and Oxford University. He is instructor in economics at Washington Square College, New York University, and author of *The Relation of the First International Workingmen's Association to the War of 1870 and the Ensuing Communard Movements.*

Seba Eldridge was born in 1885 and received his education at the North Carolina State College and Columbia University. He was a social worker in New York from 1908 to 1916, an investigator for the Committee of One Hundred that fused anti-Tammany forces in the New York mayoralty campaign of 1908, and organizer and director of the Committee on the Federal Constitution, from 1914 to 1916. He is now Associate Professor of Sociology at the University of Kansas and editor of Crowell's Social Science Series. He is author of *Political Action* and *The Organization of Life.*

Albert Russell Ellingwood, Professor of Political and Social Science at Lake Forest College, studied at Oxford University and in this country. He is co-author with Whitney Coombs of the recently published *The Government and Labor.*

Abraham Epstein was born in Russia in 1892 and received his education at the University of Pittsburgh. He has been research director of the Pennsylvania Commission on Old Age Pensions and is now executive secretary of the American Association for Old Age Security. He is author of *The Negro Migrant, Facing Old Age,* and *The Problem of Old Age Pensions in Industry.*

J. B. S. Hardman (J. B. Salutsky Hardman) was born in Grodno, Russia, in 1882; came to the United States in 1909. Schooling till fifteen. Worked as clerk and later as business manager of a lumber mill and construction company from the age of sixteen to eighteen. Joined the Social Democracy at nineteen and became active in the revolutionary movement; studied law at the Petrograd University; spent fifteen months at prisons of Vilna, Kalish, Lublin, Kiev; took part in the trade-union movement after 1905 until 1908, when exiled from Russia by Order-in-Council. Graduate studies at Columbia University (political science, 1910 to 1914); editor, *Naye Welt,* Yiddish labor weekly, 1913 to 1920. On the general staff of the Amalgamated Clothing Workers of America, as education director, 1920–24, and editor of *The Advance* since 1925. Editor, *The American Labor Monthly,* 1923–24.

Lillian Herstein was born in Chicago and received her education at Northwestern University, the University of Chicago, and the University of Wisconsin. She teaches at Crane Junior College and in the classes of the Women's Trade Union League in Chicago, and at the Bryn Mawr Summer School for Women Workers in Industry. She is a delegate to the Chicago Federation of Labor, and chairman of their Schools Committee.

Helen D. Hill was born in Chicago and studied at Bryn Mawr College and the University of Chicago, where she received her Ph.D. She taught at Bryn Mawr and labor education classes of the Women's Trade Union League. At present she is living in Geneva, Switzerland.

Sidney Hillman was born in Zagare, Lithuania, in 1887, and received a rabbinical education. In this country, he was an apprentice cutter at Hart, Schaffner & Marx and led the 1910 strike which resulted in the unionization of that plant in 1911. When the United Garment Workers was split and the Amalgamated Clothing Workers formed in 1914, he was elected General President, and has continued in that position. He is chairman of the Board of Directors of the Amalgamated Bank of New York, director of the Amalgamated Trust and Savings Bank of Chicago, and director of the Amalgamated Housing Corporation.

Earl Dean Howard was born in Fayette, Ohio, in 1876, and studied at the University of Chicago, Ph.D., 1905. He is Professor of Economics at Northwestern University and labor manager of Hart, Schaffner & Marx. He is author of *Cause and Extent of the Recent Industrial Progress of Germany* and *The Socratic Method.*

JOSEPH E. KUCHER was born in Germany in 1891. He has studied mechanical engineering and works in the metal industry. He is general secretary-treasurer of the Amalgamated Metal Workers of America and executive secretary of the International Labor Alliance. From 1916 to 1917 he edited the *Labor World*, a weekly labor paper.

HAROLD DWIGHT LASSWELL was born in 1902 and received his Ph.D. at the University of Chicago after study in this country and abroad in London and Paris. Assistant Professor of Political Science at the University of Chicago, he is author of *Propaganda Technique in the World War*, and co-author with Willard E. Atkins of *Labor Attitudes and Problems*.

JAMES HUDSON MAURER was born in Reading, Pa., in 1864. After only thirteen months of attendance at a primary school, at the age of nine, he went to work. At sixteen, he was a machinist's apprentice. In 1880 he joined the Knights of Labor and in 1901 the United Association of Plumbers and Steam Fitters and Steam Fitters Helpers of United States and Canada, to which he still belongs. Since 1912 he has been President of the Pennsylvania Federation of Labor. In 1899, he joined the Socialist Labor party, and in 1902, the Socialist party. He was Socialist member of the Pennsylvania House of Representatives from 1905 to 1908 and from 1911 to 1912; in 1927, elected Councilman of Reading, Pa., for a four-year term. He is a member of the national executive committee of the Socialist party; has been president of the Workers' Education Bureau of America since 1921. He was chairman of the Trade Union Delegation to Soviet Russia in 1927.

BROADUS MITCHELL was born in Georgetown, Ky., in 1892. He studied at the University of South Carolina and received his Ph.D. from Johns Hopkins University. He is Associate Professor of Political Economy at Johns Hopkins University. Author of *The Rise of Cotton Mills in the South* and *Frederick Law Olmstead, A Critic of the Old South*.

GEORGE SINCLAIR MITCHELL, brother of Broadus Mitchell, was born in Richmond, Va., in 1902. He studied at the University of Richmond and received his Ph.D. degree from Johns Hopkins University. He is now a Rhodes Scholar at Balliol College, Oxford. His book on organization among southern textile workers will appear shortly.

ABRAHAM JOHN MUSTE was born in the Netherlands in 1885, but received his education in this country at Hope College, Mich., Union Theological Seminary, where he received a B.D., and New York University and Columbia University. He is chairman of faculty at Brookwood Labor College, chairman of the Fellowship for Reconciliation, chairman of the Executive Committee of Manumit School, vice president of Pioneer Youth of America, vice president of the American Federation of Teachers, member of the committee on education of the New York State Federation of Labor, and contributing editor to *Labor Age* and *The World Tomorrow*.

EDWARD W. MOREHOUSE was born in 1896 and received his education at Amherst College and the University of Wisconsin. He is now Assistant Professor of Economics at Northwestern University and Research Associate at the Institute for Research in Land Economics and Public Utilities at Chicago. Author of *Development of Industrial Law in the Rochester Clothing Market*, and co-author with R. T. Ely of *Elements of Land Economics*.

HELEN GROSVENOR NORTON was born in Ottawa, Kansas, in 1897, and studied at the Kansas State Agricultural College. She is instructor in labor journalism at Brookwood Labor College and a member of the American Federation of Teachers and of the American Association of Teachers of Journalism.

WALTER N. POLAKOV was born in Russia in 1879. He studied engineering at the K. Technische Hochschule in Dresden, Germany, and neuropathology at the University of Moscow, and is a consulting engineer in management problems now. He is author of *Mastering Power Production, Foremanship, Man and his Affairs*, and numerous professional papers. A member of the American Society of Mechanical Engineers, the American Management Association, the Society of Industrial Engineers, the Illuminating Engineers' Society, the Russian Association of Engineers, and the National Association of Stationary Engineers.

James Rorty was born in 1890 and received his education at Tufts College. His present occupations are writing verse and advertising copy, and farming. He has contributed verse, satires, and critical prose to various magazines, and has published one volume of verse, *Children of the Sun*. He was an editor of the *New Masses*.

Winifred Raushenbush was born in New York City in 1894 and received her education at Oberlin College, Ohio, and the University of Chicago. She is editor of the bulletin of the Foreign Language Information Service. She has collaborated in the writing of *The Immigrant Press and Its Control*, *The Negro in Chicago*, *St. Louis and Its Churches*, and the forthcoming *Race Relations on the Pacific Coast*.

Sumner Huber Slichter was born in Madison, Wisconsin, and studied at the University of Wisconsin, the University of Munich, and the University of Chicago, where he received his Ph.D. degree. He is Professor of Economics at Cornell University and a member of the staff of the Institute of Economics. He is author of *The Turnover of Factory Labor* and contributor to *The Trend of Economics*.

Louis Stanley was born in New York City in 1900 and received his education at the College of the City of New York and Columbia University. He is instructor in trade unionism in the Rand School of Social Science. He is labor correspondent for *The New Leader* and contributor of articles on trade-union subjects to a number of labor papers. He holds membership in the American Federation of Teachers.

Norman M. Thomas, executive director of the League for Industrial Democracy, was born in Marion, Ohio, in 1884. He studied at Princeton and received his B.D. from Union Theological Seminary. He was associate pastor of the Brick Presbyterian Church, minister of the East Harlem Presbyterian Church, and director of the American Parish. He is now an editor of *The World Tomorrow* and contributing editor to *The Nation*. Has run for Governor of New York State and Mayor of New York City on the Socialist ticket. He is the author of *The Conscientious Objector in America*, *The Challenge of War*, and numerous pamphlets on radical and labor subjects.

Paul Wander was born in Leipzig, Germany, and received his training in this country at the University of Chicago. He is a research worker and has published two studies, *Government in Industry*, and *Industrial Pensions in the United States*.

Leo Wolman was born in Baltimore, Md., in 1890 and received his education at Johns Hopkins University. He is now director of research for the Amalgamated Clothing Workers of America, member of the research staff of the National Bureau of Economic Research, instructor at the New School for Social Research, and contributing editor to *The New Republic*. He has been instructor at Hobart College, the University of Michigan, and Johns Hopkins University. He is author of *Boycott in American Trade Unions*, *Unemployment Insurance*, *The Growth of American Trade Unions, 1880–1923*, and editor of the volume, *The Clothing Workers of Chicago*.

Philip E. Ziegler was born in Georgetown, Ohio, in 1886 and educated at the University of Cincinnati. A railway clerk, he was president of Cincinnati Local 647 of the Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees from 1916 to 1917, and is now editor of their journal, *The Railway Clerk*.